



Daily Report

East Asia

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Japan

Japan: MITI Wary of Raising U.S. Hopes on Semiconductor Accord

OW0807065296 Tokyo NIHON KEIZAI SHIMBUN
in Japanese 7 Jul 96 Morning Edition p 3

[FBIS Translated Text] "There is no change whatsoever in Japan's position." On the issue of the semiconductor agreement, Prime Minister Ryutaro Hashimoto said at recent summit talks with the U.S. President that it is important to seek an "early settlement in a spirit of mutual compromise," thus giving political consideration to the issue. The remark caused speculation that "Japan may have changed its policy," and the Ministry of International Trade and Industry (MITI) is bent on ruling out such speculation.

The ministry said that mutual understanding between Prime Minister Hashimoto, who is a former MITI minister, and ministry officials is good enough, and that the prime minister did not speak about the concrete details of Japan's compromise at the summit talks. However MITI is wary of the possibility that the United States will give "expanded interpretation" to the prime minister's remark and "make yet more demands."

In particular, MITI is concerned about the prime minister's remark that "a certain degree of government involvement is inevitable." This is because the remark has given impression that the prime minister pledged himself, although MITI has all-but recognized government involvement when making vague comments such as "the ministry will study the issue if asked by the private sector."

As for the prime minister's remark, a top MITI leader said: "The comment does not recognize government involvement in the market, it merely alludes to the government fulfilling its innate role in such matters as the protection of intellectual property rights."

There are reasons for MITI to refuse to easily come to an agreement advantageous to the United States. MITI is concerned that if the ministry concludes an accord incorporating a goal such as numerical targets, and fails to attain that goal, it would be a plea for sanctions. Moreover, "it is feared that the European Union (EU) will bring a case before the World Trade Organization (WTO) if an accord is exclusive and advantageous to the United States" (said a senior MITI official).

The top MITI leader says "a focal point of negotiations is the extent to which U.S. demands are accepted." However, the fact is that the government does not have a trump card that can provide a breakthrough in negotiations because it has already played such trump

cards as industrial cooperation and inter-government meetings among the major countries.

Japan: Ministry Says Insurance Talks With U.S. Scheduled To Resume

OW0807062396 Tokyo KYODO in English
0518 GMT 8 Jul 96

[FBIS Transcribed Text] Tokyo, July 8 KYODO — Japan and the United States will resume working-level talks in Tokyo on July 16 in a bid to settle their insurance dispute by the July 31 deadline, Finance Ministry officials said Monday.

Haruhiko Kuroda, deputy director general of the ministry's International Finance Bureau, and Deputy Assistant U.S. Trade Representative James Southwick will attend the meeting, the officials said.

At a meeting just before the late June Lyons summit of leaders from the Group of Seven (G-7) economic powers, Prime Minister Ryutaro Hashimoto and U.S. President Bill Clinton agreed to settle the dispute by the end of July.

Before the working-level talks start, Finance Minister Wataru Kubo and U.S. Ambassador to Japan Walter Mondale will meet Tuesday to reaffirm the July 31 deadline, the officials said.

At the center of the dispute is whether the 1994 bilateral insurance agreement allows nonlife insurance subsidiaries of Japanese life insurers to sell personnel accident insurance products immediately after their establishment.

Tokyo maintains the subsidiaries should be allowed immediately to handle accident insurance, but Washington says such items are "new and expanded products" that require special measures for three years.

The 1994 accord calls on Japan to take measures in the so-called third-sector market, such as banning the subsidiaries from introducing "new or expanded products," to avoid "any radical change" for a "reasonable" period after the two primary life and nonlife insurance sectors are liberalized.

The third-sector covers sickness, accident and nursing care insurance products. Japan and the U.S. already have agreed to take special measures for some three years for cancer and some other disease insurance.

Japan: Xerox Head Proposes Joint Investment With U.S. in Asia

OW0607100896 Tokyo KYODO in English
0920 GMT 6 Jul 96

[FBIS Transcribed Text] Tokyo, July 6 KYODO — Yotaro Konaka, the chief Japanese delegate to the Japan-U.S. business conference, has proposed that Japanese and U.S. companies step up joint investment in Asian countries.

Konaka, chairman of Fuji Xerox Co., said in an interview with KYODO NEWS, "it seems appropriate for (companies in) Japan and the United States to conduct investment jointly."

He gave the interview prior to an annual meeting of Japanese and U.S. business leaders' groups, the Japan-U.S. business conference and the U.S.-Japan business conference, which will be held at a Tokyo hotel Monday through Wednesday. The U.S. side will be led by Donald Fites, chairman of Caterpillar Inc.

Konaka said major topics will include ways to devise a common approach to the emerging economies in Asia, which will provide a "gigantic market" for global investors as well as a huge workforce offering less costlier labor.

"It is important to make efforts not to isolate China," he said.

"On the political level, there are issues over which the United States and China confront each other, but we concur with U.S. business leaders in our readiness to try to have China live up to the world's trading rules," he said.

Konaka said Japan-U.S. business relations appear to have been heading in a less confrontational direction over the past year.

"Frankly, strong words used to be exchanged over the past five to six years, as Japan's trade surplus with the U.S. remained high, thereby causing the yen to appreciate sharply against the dollar," he said.

However, "trends changed around the time of the Tucson conference last year," Konaka said.

He traced the thaw in bilateral relations chiefly to the settlement last June in Geneva of the auto trade dispute after almost breaking down.

He expressed hope that the two nations will be able to build more cooperative ties through this year's parley, while acknowledging remaining squabbles over insurance and semiconductor chip trade.

Tokyo Urges 'Early' U.S. Decision on Futenma Relocation

OW0607104096 Tokyo KYODO in English
1019 GMT 6 Jul 96

[FBIS Transcribed Text] Tokyo, July 6 KYODO — With options for relocating a U.S. military heliport in Okinawa narrowed down to three places, Tokyo is pushing Washington for an early decision on the issue due to an upcoming local referendum on the U.S. Military presence there, government sources said Saturday.

Japan wants the United States to pick one of the three places in Okinawa Prefecture as a site for the transfer of the heliport from the U.S. Marine Corps' Futenma Air Station, which is located at the center of the city of Ginowan, after the Kadena ammunition storage area was dropped from the list, the sources said.

The options are Kadena Air Base, north of the Futenma base, which is favored by Tokyo, and two other U.S. Marine bases preferred by Washington, Camp Hansen and Camp Schwab, north of the Kadena base.

Failure to agree on the heliport relocation soon could hamper the return to Japan of the Futenma station in five to seven years as planned.

The return of the Futenma base is the centerpiece of a scheme, agreed to by Tokyo and Washington in April, to reduce the land occupied by U.S. military facilities in Okinawa Prefecture by about 20 percent.

In addition to pushing negotiations with the Okinawa prefectural government, which is resisting any relocation of the heliport within the prefecture, Tokyo hopes to speed up talks with the U.S. side by convening a joint action committee on the issue later this month or in early August, the sources said.

The Japanese and U.S. Governments plan to hammer out concrete measures for the agreed relocation of U.S. military facilities in Okinawa through the action committee and issue a final report at bilateral defense talks in November.

The panel was established last November, following the rape of a schoolgirl in Okinawa by three U.S. servicemen which has triggered nationwide calls for reduction in the heavy U.S. military presence there.

Japan wants the heliport transfer issue wrapped up before mid-September, when the U.S. Presidential race enters the final stretch and the White House is expected to begin focusing on domestic issues until after the election in late November.

"We want to settle problems that require a political decision such as the return of Futenma before the U.S. election campaign runs into high gear," a government source said.

An early decision would also take pressure from both sides' foreign and defense ministers, who are scheduled to meet in late September, the source said.

The rush is also believed to be linked to the referendum in Okinawa, slated for Sept. 8., which will ask local residents whether they want a reduction in U.S. military bases in the island prefecture.

A strong call for base reductions would make it even more difficult for the central government to win support from Okinawa Gov. Masahide Ota, who has been a vocal advocate of a complete U.S. troop withdrawal from Okinawa, for relocation of the heliport within the prefecture.

Government sources said Tokyo hopes to agree with the U.S. side on the selection of a heliport transfer site within July and then officially offer it to Okinawa.

The resolution of the issue also hinges on whether Tokyo and Washington can find a compromise. According to the sources, Japan strongly favors the Kadena Air Base as an alternative site, but the U.S. is reluctant, arguing that additional helicopter operations would hinder U.S. Air Force activities there.

On the other hand, local residents near the U.S.-proposed alternative sites are adamantly opposed to a new heliport because the construction of a runway would result in the logging of forests.

Japan: Kadena Mayor Objects to Moving Futenma Heliport to KAB

OW0607115096 *Naha OKINAWA TIMES in Japanese*
5 Jul 96 *Evening Edition p 7*

[FBIS Translated Text] Kadena — With regard to a report that the Japanese Government has proposed the U.S. relocate the Marine Corps Air Station [MCAS] Futenma heliport to Kadena Air Base [KAB], the Kadena town public office is puzzled over the report, saying "It's absurd."

"We have not heard anything. If it is true, we cannot accept it. Further expansion of base functions will intensify the danger of accidents and noise problems and therefore cause further damage to the living of townsfolk," Kadena town Mayor Tokujitsu Miyagi said in a sharp tone.

Mayor Miyagi quoted the commander of the U.S. Air Force 18th Wing at KAB as saying during an informal meeting that he conveyed to the home [U.S.]

government his opposition of a plan to consolidate bases on the grounds that "it is impossible to relocate MCAS Futenma functions in terms of KAB capacity as an airfield."

Tokyo Exempts Kadena Air Base as Heliport Relocation Site

OW0807105696 *Tokyo RYUKYU SHIMPO*
in Japanese 7 Jul 96 *Morning Edition p 1*

[FBIS Translated Text] As of 6 July, the national government has given up its plan to construct a U.S. military heliport in the Kadena ammunition storage area in conjunction with the return of Marine Corps Air Station [MCAS] Futenma. Instead, it has decided to coordinate the other possible relocation site with the U.S. government, narrowing the options down to three locations — Kadena Air Base [KAB], Camp Hansen, or Camp Schwab. Among those three, KAB is preferred site for relocation because there is no concern of disrupting the environment there.

With regard to the return of MCAS Futenma, taking the Okinawa prefectural government's intention into consideration, the government hopes to settle the issue before the meeting of the Japan-U.S. Consultative Committee on Security (two plus two) scheduled in late September, without waiting for the final report to be worked out by the committee in November. In view of this, the government intends to promote consultations with the United States by holding a meeting of "the Japan-U.S. Special Action Committee on Okinawa" (SACO) in Tokyo sometime between late July and early August.

However, the U.S. side has still maintained its opposing stance on constructing the substitute heliport for MCAS Futenma on KAB. Moreover, the local people have expressed strong opposition to the heliport construction at Camp Hansen and Camp Schwab for the reasons of deforestation and other environmental disruptions. In such a situation, it is unclear whether the issue will be settled by late September.

While expecting campaigning for the U.S. presidential election to become serious around mid-September, the government urges the U.S. side to hold the consultations as soon as possible, determining that "it is desirable to settle such issues as the return of Futenma, in which political decisions should be made, before the election" (as stated by a government official).

The government concerns that a result of the referendum on 8 September to ask Okinawan residents whether they support a reduction in U.S. bases on Okinawa may restrain the options of Okinawa Governor Masahide Ota

and the prefectural authorities. Therefore, it is observed that this concern is also one of the reasons that the government has urged holding consultations earlier.

Japan: Defense Chief Wants Mandate for Forced Use of Base Land

*OW0807120896 Tokyo KYODO in English
1032 GMT 8 Jul 96*

[FBIS Transcribed Text] Tokyo, July 8 KYODO — Defense Agency Chief Hideo Usui reiterated Monday the need for special legislation permitting continued forced leasing of land for use by U.S. military bases in Okinawa, apparently seeking to play down a cautious attitude toward such a legal mandate shown by Prime Minister Ryutaro Hashimoto.

Usui made the pitch in a speech at the Foreign Correspondents' Club of Japan in Tokyo as time is running out for completing a lengthy series of steps needed to renew leases for base land in the southwestern Japanese island prefecture before they expire next May.

He said that early August is the deadline for the government to enact a new law for prompt renewal of land leases if Okinawa Gov. Masahide Ota refuses to take the required steps for that purpose.

Hashimoto is expected to ask Ota on Tuesday to cooperate on the renewal of leases on plots inside 11 U.S. military facilities.

Ota is likely to refuse the premier's request, however, as he did in the case of a small land plot that lies inside a U.S. naval communications facility. The lease contract for the plot expired in March.

By law, Hashimoto will have no choice but to bring a lawsuit eventually, probably in August, seeking to win a court order requiring Ota to take the necessary action, a process likely to take more than a year to complete and well beyond the expiry of the existing leases.

The land inside the 11 military facilities is owned by a total of 2,971 people, all of whom have opposed the forced contracts.

The mayors of nine cities and towns where the 11 facilities are located have refused to make a mandatory announcement on the government's request to renew the land lease contracts.

Under the local autonomy law, Ota is supposed to make an announcement on their behalf.

Japan: 16,000 Protest Proposed Shift of Firing Practice

*OW0707090796 Tokyo KYODO in English
0852 GMT 7 Jul 96*

[FBIS Transcribed Text] Oita, Japan, July 7 KYODO — Some 16,000 people from three towns in Oita Prefecture, southwestern Japan, joined a rally Sunday against a proposal to allow U.S. military forces to use a Self-Defense Forces artillery firing range on land in the towns.

Takaya Sato, mayor of Yufuin, one of the three towns, told the crowd on the banks of the Kusu River that the rain which dampened the gathering "symbolizes the feelings of residents."

"We will not tolerate any more environmental damage," Sato said. "I am angered that regional areas should be so ignored like this."

The other towns which include parts of the Hijudai firing range are Kokonoe and Kusu.

The gathering was called to express opposition to a government proposal to allow the use of five sites in rotation as replacements for a U.S. military firing range in Okinawa Prefecture.

The Okinawa range is on land at Camp Hansen, but because of its configuration, part of a prefectural highway on the island has to be closed during drills, inconveniencing local residents.

Japan and the United States decided on the transfer following their agreement in April to reduce the number of drills and U.S. bases in Okinawa, Japan's southernmost island prefecture.

The gathering applauded after the reading of a message of solidarity from a group opposed to the proposed use of another firing range in Shizuoka Prefecture.

Several local residents also took the stage at the gathering to complain that moving the drills away from Okinawa Prefecture would simply spread the problems experienced by Okinawa residents to other parts of Japan.

The four other sites are the Yausubetsu range in Hokkaido, the Ojojihara range in Miyagi Prefecture, the Kitafuji range in Yamanashi Prefecture and the Higashifuji range in Shizuoka Prefecture.

The central government is currently discussing the proposal with the U.S. prior to making a formal decision this summer.

**Japan: U.S. Congress Team Hides Details of
Okinawa Base Survey**

OW0707103996 *Naha OKINAWA TIMES in Japanese*
6 Jul 96 *Morning Edition p 2*

[FBIS Translated Text] Three members of the U.S. House of Representatives International Relations Committee fact-finding team, who are currently visiting Okinawa to conduct research on the Okinawa base issue, launched a study on 5 July with officials at the U.S. Consulate General in Okinawa. However, they have disclosed no information about the survey, including where they will visit, keeping their actions hidden in a veil of mystery.

The U.S. Consulate General in Okinawa said that it could not comment on the purpose or other details of the inspection by research team sent from the congress. Fact finder Michel Anas [name as published], who arrived on Okinawa on the evening of 4 July, refrained from telling reporters details of the research, and merely said, "We entrust the consulate general with scheduling." He then hoped to meet with Okinawa Governor Masahide Ota.

The Okinawa Prefectural Government Military Base Affairs Office and the prefectural assembly secretariat said that as of 4 July, the fact-finding team has not sought explanation from the prefectural government or the assembly about this matter. According to the United States, the U.S. Consulate General had informed the committee beforehand that it would be difficult for the research team to contact senior prefectural government officials and the prefectural assembly because the assembly is in session during their visit, which is due to be made from 4 to 6 July. There is the possibility that the fact-finding team will conclude its visit after listening only to concerned U.S. military officers. It is questionable whether the Okinawan view on the base issue will be reflected in its research.

**Japan: Editorial on Consolidation of Kadena Air
Base, MCAS Futenma**

OW0607115596 *Naha RYUKYU SHIMPO*
in Japanese 5 Jul 96 *Morning Edition p 5*

[Editorial: "Consolidation of MCAS Futenma and
Kadena Air Base Should Be Studied Carefully"]

[FBIS Translated Text] We said before that the prefectural government would be placed in a very difficult position. As we predicted, the office now appears to be urged to make a decision on how it will cooperate with the central government in realizing the complete return of Marine Corps Air Station [MCAS] Futenma. Japan and the United States have agreed on the return of MCAS Futenma on condition that its functions be re-

located somewhere else. It will be impossible for the prefectural office to reject cooperation. Although the conditioned return is the second best policy, we hope the office will study, with religious care, whether or not municipalities considered possible sites for relocation will accept the relocation plan. If they refuse to accept, the prefecture should let a great philosopher called time solve the problem. At least confrontation with residents of these municipalities should be avoided.

The Japanese and U.S. Governments have given up a plan to construct a U.S. military heliport in the Kadena ammunition storage area [KASA] in conjunction with the return of MCAS Futenma. They are now considering relocating the heliport to Camp Schwab or integrating its functions into Kadena Air Base [KAB]. Concerning this, a top prefectural government official said: "The heliport should be squeezed into an existing U.S. military facility." He thus unofficially approved of moving the heliport to KAB.

The prefectural government is seeking a solution to the heliport problem to promote base reduction plans, including the return of MCAS Futenma, which the Japanese and U.S. Governments have agreed upon. In April, when the Japan-U.S. summit was held in Tokyo, Governor Masahide Ota told Prime Minister Ryutaro Hashimoto that the prefecture would cooperate in realizing the return of MCAS Futenma. The prefectural office is now in a difficult position. However, there are things that can and cannot be done. The prefectural office should have the courage to say clearly what it can and cannot do.

Originally, Tokyo and Washington considered the KASA, Camp Hansen in Kin-cho, and Camp Schwab in Nago city as possible sites for a new heliport for the return of MCAS Futenma. However, they dropped the KASA option because it would increase military aircraft noise and the possibility of aircraft accidents in the area, and because of concerns regarding the preservation of a water reservoir and the natural environment. Meanwhile, the heliport's relocation to Camp Hansen or Camp Schwab is said to be difficult because of strong opposition from the residents near the bases.

Now, the idea of integrating the functions into KAB has surfaced. Richard Armitage, former U.S. assistant defense secretary in the Reagan administration, originally proposed it. Armitage proposed MCAS Futenma's return by integrating its functions into KAB, which has almost all the necessary military facilities and enough space for accepting MCAS Futenma's functions. This consolidation plan will minimize the Japanese Government's spending for the relocation of the Futenma base. Yet, the U.S. forces reportedly oppose the plan, say-

ing: "The difference in speed between fighters and helicopters will make aviation controlling difficult." Also, given each force's strong spirit of independence, it is unlikely that the Air Force will accept the Marine Corps' air units.

Another question is whether or not Kadena residents will approve of relocating Putenma's helicopter units to KAB. Even now, noise from KAB aircraft is intolerable. Because of this, residents near the base have demanded a court order to halt landings and take-offs during nighttime. The relocation of helicopter units to KAB will end up increasing the noise and the possibility of accidents. However, when the pluses and minuses of the consolidation plan are weighed, some pluses are left. However, it is certain that the plan will worsen the noise pollution from KAB. Some people may consider the consolidation of the two bases the second best plan and inevitable. But the question is whether or not residents near KAB will tolerate it.

Japan: SDP Stance on Security Alliance Outlined

OW0807045296 (Internet) Social Democratic Party
WWW in Japanese 11 Jun 96

[Social Democratic Party (SDP) article: "Basic Facts on the Review of the Japan-U.S. Security Alliance"; from the "Today's Topics" link]

[FBIS Translated Text] Japan-U.S. Joint Declaration on the Security Alliance

On 17 April Prime Minister Ryutaro Hashimoto and U.S. President Bill Clinton issued the "Japan-U.S. Joint Declaration on the Security Alliance." In this joint declaration, they not only confirmed the importance of the Japan-U.S. partnership for the 21st century, but also reconfirmed their determination to carry out steps to consolidate, realign, and reduce U.S. facilities and areas in Okinawa. These deserve a respectful appreciation.

On the other hand, however, the declaration underscored the continued U.S. military presence in the Asia-Pacific region, stating that maintenance of the current force structure of about 100,000 forward-deployed U.S. servicemen, "including the current level in Japan," is essential for preserving regional peace and stability. The declaration also revealed that both nations will increase defense cooperation, including a review of the 1978 Guidelines for Japan-U.S. Defense Cooperation and a study of bilateral defense coordination to deal with "contingencies in the Far East."

Depending on how the content of the declaration is interpreted, it can be construed as aiming at the continued presence of U.S. military bases until the 21st century as well as at making Japan cooperate with the

U.S. strategy toward Asia in the future, which goes beyond the framework of the Constitution.

Since the end of the Cold War, the United States has changed its policy of focusing first on the Soviet Union to a primary strategy of dealing with regional disputes in Asia and the Middle East. "The East Asian Strategy Report," issued in February 1995, states that "the Japan-U.S. security alliance is the cornerstone of U.S. security policy in Asia" in maintaining its East Asian strategy.

It may safely be said that the United States wants to use Japanese bases for its military operations in the Asia-Pacific region and to gain Japan's military cooperation. However, the United States differs from Japan in its history and in its view of the Constitution that governs its action.

It is natural for an economic superpower, Japan, to contribute to stability and peace in Asia. However, now is the time for Japan to make it clear that its contribution is confined to nonmilitary areas.

Contingencies in the Far East

Since the disappearance of the "threat from the North" following the collapse of the Soviet Union, the PRC and North Korea have come to the fore as a new threat. Especially, since the PRC's initiation of its military exercises aimed at Taiwan's recent presidential election, conservative party members, in particular, have been calling for a review of the defense cooperation between Japan and the United States in dealing with contingencies in the Far East. Moreover, in the recent "Japan-U.S. Joint Declaration on the Security Alliance," the two leaders agreed to promote bilateral policy coordination, including studies on bilateral cooperation in dealing with situations that may emerge in the areas surrounding Japan.

However, according to the analysis of a professional agency, such as the UK's International Strategy Research Institute, the weapons of the PRC Army are mostly outmoded and the PRC Army is unable to invade Taiwan. The common opinion is that the same is true of North Korea and, that when a war breaks out, that country is no match for South Korea, which is equipped with modern weaponry.

In addition, concerning the view that North Korea already has missiles capable of reaching the western part of Japan, the country conducted an experiment just once a few years ago, and its development of missiles is considered to have practically failed.

To begin with, the PRC-Taiwan issue is an internal problem, and the situation on the Korean peninsula is fundamentally a problem between South Korea and

North Korea. Even if a conflict were to break out in the area and the U.S. Armed Forces were to participate in it, it is wrong to take that as a direct threat to Japan's peace and security.

It is necessary for Japan to make a study of humanitarian cooperation, such as the rescue of refugees in the event of the outbreak of conflicts. However, even if U.S. Forces request logistic support from Japan, Japan should not agree with it as long as it is not the party involved in the conflict. The provision of logistic support under such circumstances is against the Constitution, which prohibits collective defense. Behind the claim that Japan is in imminent danger lies the U.S. military industry's intention to involve Japan, South Korea, and others in the development of theater missile defense (TMD) that is said to be the last big business in the 20th century.

The Right of Collective Defense and the Japan-U.S. Security Treaty

A lively discussion is going on about the review of the Japan-U.S. security treaty to deal with the post-Cold War situation. In April's "Japan-U.S. Joint Declaration on the Security Alliance," the two leaders agreed to initiate a review of the 1978 Guidelines for Japan-U.S. Defense Cooperation and to promote bilateral policy coordination, including studies on bilateral cooperation in dealing with situations that may emerge in the region around Japan. A focus of future studies is to determine how much support Japan may extend to the United States when dealing with situations in the Far East in which Japan is not exposed to a direct attack.

The "Guidelines" stipulate that bilateral cooperation in dealing with "situations that may emerge in the areas surrounding Japan and that will have an important impact on Japan" will be studies. However, under the Japan-U.S. security treaty, Japan is under no obligation to provide cooperation for U.S. Forces, except for their use of facilities and areas in Japan.

In interpreting the Constitution, successive governments have firmly maintained the view that the Constitution recognizes the right to individual defense, but that it does not recognize the "exercise of the right to collective defense" — Japan's right to prevent by force of arms an attack on a country with which it has a close relationship, although Japan is not being attacked.

U.S. expectations for Japan are considered to be limited to logistic support at present, such as refueling support and the use of private airports. However, depending on the U.S. interpretation, providing communications and information as well as refueling support may be regarded as military support.

Ichiro Ozawa, head of the New Frontier Party (NFP), insists that to strengthen the relationship between Japan and the United States, the interpretation of the Constitution should be expanded so that logistic support for the U.S. Armed Forces can be implemented. His theory is the same as saying that, if a conflict breaks out between the United States and the PRC in the future, Japan should confront the PRC in cooperation with the United States.

The Japanese people are asked to make a choice between the two: the security and peace of Japan, an Asian nation, can be guaranteed by only the bilateral treaty known as the Japan-U.S. security treaty; or Japan's security and peace can be found through fostering trust among nations, as the Constitution says.

Security of Human Beings

Recently the phrase "security of human beings" is being used principally in the United Nations. The concept of security has heretofore meant dealing with conflicts between nations or with threats to nations' borders.

However, this "security of human beings," based on the view that "unless people can lead a peaceful daily life, they cannot realize a peaceful life," aims at eradicating fears of employment, income, health, the environment, and crime that modern people are feeling in their daily life.

The whole idea is derived from the analysis that it is not conflicts between nations but civil wars that will occur frequently in the future, and that the cause of civil wars is deeply rooted in social and economic poverty and in the increase in an economic gap.

In fact, many of the conflicts that occurred in recent years in areas like the former Yugoslavia, Somalia, and Cambodia, were not so much conflicts between nations as civil wars. The direct causes of the conflicts are due to religious antagonism and ideologies, but the problem of an economic gap is deeply rooted in the background.

In the same way, the problem between the PRC and Taiwan as well as the problem on the Korean peninsula, which are considered unstable elements in Southeast Asia, can be considered not as conflicts between nations, but as internal problems.

After the end of World War II, each country had used to ensure its security through the collective security organization with the United States and the Soviet Union at the top, such as NATO and the Warsaw Pact Organization, as well as through bilateral treaties like the Japan-U.S. security treaty.

However, since the collapse of the Cold War structure, threats to mankind are changing from conflicts

between nations to global problems that go beyond national boundaries, such as famine, racial conflict, social collapse, terrorism, environmental destruction, and drugs.

These problems cannot be solved through military force or bilateral military alliances. As the United Nations says, it is urgent to implement a social development plan through global dialogue and cooperation.

Japan: Working Share Deadlocks F-2 Joint Production Plan With U.S.

OW0607115396 Tokyo TOKYO SHIMBUN
in Japanese 4 Jul 96 Morning Edition p 25

[FBIS Translated Text] A Japan-U.S. joint project to produce the fighter support aircraft F-2 for the Air Self-Defense Forces [ASDF] has become deadlocked because of a failure to adjust the working share between Japan and the United States, and, therefore, the prospects for starting production are far from certain, it was learned on 3 July. The deadlock came after the U.S. expressed dissatisfaction with a "drop in its production share," saying it is allotted "only 38 percent." The United States was supposed to have 40 percent of the total production cost. Thus, the planned conclusion of a Japan-U.S. memorandum of understanding (MOU) is floating in the air. Facing such a difficult problem at the last moment, a senior Defense Agency [DA] official is puzzled, saying "We did not expect that the problem would become so complicated." The F-2 has been developed under a joint project between Japan and the United States as a successor to the fighter support aircraft F-1 owned by the ASDF. The F-2 is modeled after the U.S.-made F-16 fighter. Production of 130 F-2 fighters was approved at a cabinet meeting, and 130 billion yen [Y] has been appropriated in the FY96 defense budget for the purchase of 11 F-2 fighters.

Japan and the United States mutually confirmed in an April 1989 note to "let the U.S. secure 40 percent of working share at the mass production stage." The U.S. was scheduled to take charge of producing the left wing and rear fuselage while the Japanese would take care of the remaining portions.

However, recently, the U.S. said that "our calculations show that our share is only 38 percent of the total costs." Japan has said "it is supposed to reach 42 percent," basing its counterargument on other calculations. Thus they are at odds. Even at vice minister-level talks between the Defense Department and the Foreign Ministry and DA held in Tokyo on 28 June, they merely confirmed to settle the issue as early as possible.

For this reason, the two sides are unable to conclude the MOU, which officially confirms the working share of

the two sides. Meanwhile, the Japan-U.S. confrontation is holding back the DA from placing orders with manufacturers. If the DA cannot make a contract with manufacturers by the end of this fiscal year, it will lose the F-2 fighter production budget.

Although the DA has not disclosed the total cost needed to produce 130 F-2's, it is estimated to be approximately ¥1.3 trillion. With a disparity of 4 percent between the United States' and Japan's calculations calculated based on the estimated total costs, it would be ¥52 billion, thus producing a huge amount of difference. Therefore, at present, it seems that Japan and the United States, backed by their own nations' defense industries, will not reach a compromise.

The senior DA official said: "As for the F-2, we were pleased to go into mass production at long last after tiding over such criticism as Congressional voices opposing providing technology to Japan and other views criticizing the F-2 for being 'the world's most expensive fighter.' So, we want to settle the issue peacefully since the F-2 is the first fighter developed under the Japan-U.S. joint project." Thus, the official expressed hope for progress in future talks. Nevertheless, among those concerned, speculation prevails that "It is highly possible that Japan will cave in to U.S. pressure in the end."

Tokyo's Position on TMD Participation Viewed

OW0807062596 Tokyo AERA in Japanese 1 Jul 96
pp 62-63

[Article by AERA editor Shunji Taoka: "Ballistic Missile Defense Initiative: Dilemma in Joining TMD"]

[FBIS Translated Text] "The United States asks us to make up our mind before the end of the year. But it is impossible."

Every senior official at the Defense Agency [DA] makes a sour face when they talk about TMD (Theater Missile Defense). There is a trial calculation that a full-scale deployment of the TMD system would cost at least 4 trillion yen, and the system has many technical questions. Furthermore, there is a strong air of wariness within the DA that carelessly joining the TMD development project — which involves serious strategic problems, such as which part of Japan will be defended from which country's ballistic missiles — will have serious consequences.

Nevertheless, lacking the drive to repel the pressure of the United States' request that Japan participation, Japan is gradually being dragged into a very questionable program.

Patriot Had Opposite Effect

It was the Gulf war in 1991 that increased people's interest in a missile system that intercepts short to medium-range ballistic missiles with a range of less than 3,000 kilometers. Iraqi forces launched the "El Hussein" missiles (with a range of 650 kilometers), based on the former Soviet Union's "Scud," at Israel and Saudi Arabia, while U.S. forces tried to intercept them by deploying the "Patriot PAC-2," an anti-aircraft missile capable of coping, to some extent, with ballistic missiles. Originally designed to disable aircraft, the Patriot explodes at the very moment it passes its target, the intent being that the explosion and shrapnel will shoot down the target. Ballistic missiles, though, are designed to free-fall at the final stage of their flight having used up all their fuel during the acceleration and ascent after the launch. So, even if they are hit by the fragments, they fall anyway.

Although the Pentagon at first announced, "the intercept rate was 70 to 80 percent," the Israeli Department of Defense said, "the Patriot was not able to destroy even a single warhead." And the research conducted by Professor [Theodore] Postol at Massachusetts Institute of Technology revealed an unexpected result: "One hundred and fifty eight Patriot missiles were launched against 47 Scud-type missiles, and the number of warheads destroyed was one, at most. Casualties per Scud-type missile were slightly higher when the Patriot was fired than when it was not." Not only did the Patriot have almost no effect, but there were some unfortunate people who were hit by falling fragments and debris from its explosion in the air.

Since then, plans to develop a missile system that can intercept ballistic missiles by directly hitting and destroying their warheads have been proposed one after another. Partly because of the repeated technical failures of the SDI (Strategic Defense Initiative), which was studied to handle the Soviet Union's intercontinental ballistic missiles [ICBM's], the U.S. Government's financial situation has become difficult. Furthermore, the Soviet Union has collapsed, and the SDI was canceled. As a result, SDI engineers and firms have tried to find a way out using the TMD program.

Pentagon Expects Japan to Shoulder Development Costs

Interest in the TMD program suddenly increased in Japan when a "Nodong-1" missile was test-fired in late May 1993 from Nodong, the northern coast of Democratic People's Republic of Korea (North Korea) facing the Sea of Japan. While the tested missile flew approximately 500 kilometers and fell in the central part of the Sea of Japan, the United States — which notified

Japan of the test-fire — explained that "the Nodong-1 has a range of 1,000 kilometers," causing people alarm that it could reach every part of Japan except southern Kanto, the eastern part of Hokkaido, and Okinawa.

The Pentagon was quick to seize the opportunity, and invited Japan to take part in the joint development of the TMD system and requested the DA set up a working committee for defense cooperation. But the DA was wary of the offer because of the likely cost, for legal reasons, and from the viewpoint of technical feasibility, and prudently replied: "We will start administrative-level discussions to consider the ideal way for future cooperation."

Although the budget for the "Ballistic Missile Defense Research Office," which was inaugurated in April 1995, was merely 20 million yen in that fiscal year, its research budget has rapidly increased to 450 million yen (including the budget for the next fiscal year) this year, and it has been decided to reach a conclusion before the end of FY 1997 on whether or not to participate in the TMD program.

The Pentagon, however, has urged Japan to speed up the pace of its research and decide quickly on participation in the development. While the Pentagon's demand antagonized the DA: "A study of this nature usually takes two years. It is unreasonable to ask us to determine our attitude in a matter of months," the DA has, nevertheless replied that it "would like to decide as soon as possible." It plans to reach a conclusion by the summer of 1997.

The Pentagon has also decided to provide Japan with the information on ballistic missiles captured by U.S. geostationary satellites from this April. Since this kind of intelligence will be needed if Japan is going to deploy the TMD system, it is widely felt within the DA that this is "just another way of putting pressure on Japan to join the TMD program."

Meanwhile, the tests on "THAAD" (Theater High Altitude Area Defense) missile — which had been considered the main force in the TMD system — conducted on 13 December last year and 22 March this year ended in failure, and its development budget will be reduced from 622 million dollars in FY1995 to \$368 million in FY1996, and to \$481 million in FY1997.

There are many other development projects related to ballistic missile defense whose budget will be cut, and the overall budget related to ballistic missile defense will be reduced as much as 17 percent, from \$3.351 billion in FY1996 to \$2.798 billion in the next fiscal year starting this October. It is no wonder the Pentagon, confronted with financial difficulties, is anxious to have

Japan decide on its participation quickly and shoulder the development costs. The Pentagon is encouraging Japan to decide early by saying: "The sooner Japan decides to join, the more advantageous will be the terms offered to Japan."

Development of Nodong Got Bugged Down

But this does not mean the United States is going to cut the budget for each its ballistic missile defense programs. It plans to focus on a "Lower Tier Defense" whose cost is relatively low and feasibility is high. Under this system, missiles are intercepted not at a high altitude but at a low altitude in the atmosphere, and the area that can be defended is accordingly limited.

The budget will be increased for "Patriot PAC-3," an improved model of the existing "Patriot PAC-2"; the "Navy Lower Tier Area Defense System," whose launches are possible from Navy Aegis anti-air missile vessels; and the "Medium Extended Air Defense System," in which Germany, France, and Italy participate; even if the budgets of these programs are reduced, the cuts will be small.

Since the DA's "Equipment Procurement Expenses" in the present fiscal year are more than 910 billion yen and its R&D expenses are a little less than 150 billion yen, if the DA is dragged into a giant project like the TMD, which would cost several trillion yen each for both development and deployment, the DA will find itself having to suspend all of its R&D programs for years, and not be able to buy aircraft, vessels, or small arms. Because the balance of government bonds is about to reach 240 trillion yen now, a sudden increase in the defense budget is unthinkable.

It is only natural that a senior DA official, surprised at the United States' proposal, once said: "It is like asking me to let Akebono [a sumo wrestler] use the bathtub at my house." A section chief at the DA laughed at the United States' request: "Do you really think we would do such an unrealistic thing?"

On the other hand, there is another view within the DA that: "It is wrong to think that we do not need a means of defense against ballistic missiles when they actually exist around Japan."

However, the second test-fire of "Nodong-1" — which Japan first regarded as the target of the TMD — has not been conducted, despite the fact that more than three years have passed since the first experiment in late May 1993. In DA intelligence circles the common view is now that: "The development [of Nodong-1] seems to have been suspended due to North Korea's financial and economic difficulties, and technological deadlock." The development of a missile usually involves at least

dozens of test launches to find and correct problems before it is mass-produced and deployed. Without this testing a missile is unpredictable.

During the Iran-Iraqi War, North Korea exported ballistic missiles to Iran, and started the development of "Nodong-1" for export. However, the Iran-Iraqi War ended in 1988, and in 1991 Iraqi forces were heavily damaged in the Gulf War. Also, Iran was in a difficult financial situation due to sluggish oil prices, and it stopped importing missiles from North Korea. There is a feeling that this may have caused development of the Nodong-1 to stop.

Some even think: "It is questionable that the missile tested in late May 1993 really was a 'Nodong-1.' There is a possibility it was the (500-kilometer range) Scud-C, which North Korea already possessed. The United States probably told Japan the test-firing was of the 1,000-kilometer range Nodong-1 in order to press Japan to join the development of the TMD."

In addition, North Korea is now in a serious economic crisis, and has made an approach to the United States. The United States is finally offering food aid to North Korea, and Japan is also asked to cooperate. As a result of the parlous state of North Korea, many people have doubts about its future existence: "Even if Japan joins the development of TMD and the TMD system is deployed in about 10 years, it is doubtful whether North Korea will exist then. Even if it existed, it would be totally different from what it is today."

Countermeasure Against China?

Perhaps the thinking that explains the TMD as a defense against North Korea's missiles is not persuasive enough, and that is why the U.S. side now explains the value of the TMD as a defense against China's ballistic missiles.

China is estimated to possess 17 ICBM's and approximately 70 medium-range missiles. As they are armed with nuclear warheads, it is true that Japan has no countermeasure if it is threatened by them. However, even if the TMD system is deployed throughout the nation at the cost of more than 10 trillion yen, it would be virtually impossible to destroy all the ballistic missiles in the air; engineers would call a 50 percent intercept rate a success.

Nevertheless, if half, or even only 10 percent of nuclear missiles launched hit a big city, the result is the same. If Japan decides to participate in the TMD program, it will suffer the same kinds of problem that the United States faced at the time of the SDI development.

Japan: 'Government Sources' Say Tripartite Talks Acceptable

OW0607033196 Tokyo KYODO in English
0306 GMT 6 Jul 96

[FBIS Transcribed Excerpt] Washington, July 5 KYODO — [passage omitted on South Korean proposal for talks] In Jakarta, the three nations could also discuss adjustment of policies toward North Korea as Seoul is cautious toward any progress by Pyongyang in improving bilateral relations with the U.S. and with Japan before the inter-Korean talks resume.

The ARF [ASEAN Regional Forum], as the Asia-Pacific security forum, comprises the seven members of the Association of Southeast Asian nations (ASEAN) — Brunei, Indonesia, Malaysia, the Philippines, Singapore, Thailand and Vietnam — plus Australia, Canada, China, Cambodia, Laos, Japan, New Zealand, Papua New Guinea, Russia, South Korea, the U.S., and the European Union.

A U.S. Defense Department official has said the three nations should establish closer relations on defense cooperation.

Noting that defense cooperation between the three has made significant progress over the past several years, the official said there is room for further improvement, suggesting the consideration of joint military drills in the future.

In Tokyo, Japan will accept the tripartite talks in Jakarta and is arranging the schedule, Japanese Government sources said.

In the meeting, the three countries will confirm their stance to urge North Korea to accept the four-way peace talks, the sources said.

The participants will also discuss the North Korean situation and food assistance to the country, they said.

Japan: Current Account Surplus With U.S. Down 33% in 1995

OW0807065396 Tokyo KYODO in English
0446 GMT 8 Jul 96

[FBIS Transcribed Text] Tokyo, July 8 KYODO — Japan's politically sensitive current account surplus with the United States dropped a sharp 33.0 percent in 1995, but its surplus with emerging South East Asian economies continues to rise, the Finance Ministry said Monday.

The 1995 surplus with the U.S. totaled 3,762.2 billion yen, sharply down from 5,618.6 billion yen a year earlier, the ministry said.

In merchandise trade with the U.S., Japan posted a surplus of 4,908.2 billion yen, down 22.4 percent, with exports falling 6.0 percent to 11,107.7 billion yen but imports rising 13.0 percent to 6,199.5 billion yen.

Services trade with the U.S., however, produced a deficit of 985.1 billion yen, up from the year-earlier deficit of 591.2 billion yen.

The current account balance measures the flow of goods and services as well as investment income and other monetary transfers.

Japan's current account surplus with South East Asian economies, meanwhile, exceeded its total surplus with countries belonging to the Paris-based Organization for Economic Cooperation and Development (OECD), a club of rich nations, for the second straight year in 1995, the ministry said.

Japan's surplus with South East Asian economies, including South Korea, Hong Kong, Taiwan and other newly industrializing economies, rose 12.0 percent to a record 8,247.5 billion yen. The surplus accounted for 80 percent of its overall 1995 surplus of 10,304.3 billion yen.

In contrast, Japan's surplus with the OECD member countries fell 33.0 percent to 4,791.5 billion yen.

A ministry official said an increasing number of Japanese companies are shifting their production facilities to South East Asia to take advantage of lower costs.

Those companies are stepping up exports of parts to their production subsidiaries in South East Asia, contributing to the increase in Japan's surplus with the region, the official said.

According to the ministry report, Japan posted a current account surplus of 2,038.2 billion yen with the European Union (EU) in 1995, down 6.9 percent.

With China, however, Japan registered a deficit of a record 1,167 billion yen, up 48.6 percent, with imports from China rising 18.9 percent to also a record 2,859.7 billion yen and exports inching up to 1,794.6 billion yen from 1,714.6 billion yen.

Japan: Prime Minister Cited on Russian Presidential Election

OW0807101196 (Internet) Japanese Ministry of Foreign Affairs WWW in English 4 Jul 96

[Statement by Prime Minister Ryutaro Hashimoto on the Presidential Election in Russia issued on 4 July; from the "What's New" link]

[FBIS Transcribed Text] 1. Though I assume that the results of the Presidential election held in Russia on the

3rd of July will be officially announced soon, it seems almost certain that President Boris Yeltsin will gain a second term with a vote turnout of more than 90%. The Government of Japan recognizes that the present election, backed by the mounting interest of the Russian people, attracted a high voting rate, as it also did last time, and that it was held in a free and fair manner. Thus, we highly evaluate it as it represents progress of democratization in the country.

2. Since the birth of a new Russia, President Yeltsin has made great efforts to carry reforms in the country, and although he faced many difficulties, the reforms have already achieved some results. We hope that, after the Presidential election, Mr. Yeltsin will continue exercise leadership in promoting Russia's political and economic reforms.

3. Concerning future relations between Japan and Russia, I confirmed with resident Yeltsin at our recent talks that the relationship will develop further based on the Tokyo Declaration signed in October 1993 when the President visited Japan. Especially, as this year marks the 40th anniversary of the restoration of diplomatic relations by the Japan-Soviet Joint Declaration, I intend to make further efforts for the promotion of Japan-Russia relations, including the solution of the territorial issue. I hope that the Russian side will also tackle this problem seriously.

Japan: Hashimoto Calls Yeltsin To Congratulate Him on Reelection

OW0807091396 Tokyo KYODO in English
 0834 GMT 8 Jul 96

[FBIS Transcribed Text] Tokyo, July 8 KYODO — Prime Minister Ryutaro Hashimoto telephoned Russian President Boris Yeltsin on Monday to congratulate him on his reelection, a foreign ministry official said.

During the 10-minute conversation, Hashimoto expressed hope that he and Yeltsin can work together toward progress in bilateral relations, the official said.

Yeltsin was quoted as saying the comfortable margin of his victory in last Wednesday's runoff over Communist rival Gennadiy Zyuganov distanced Russia from the Communist regime of its past.

Responding to Yeltsin's repeated calls for Hashimoto to visit Russia at his convenience, the Prime Minister said such a visit should be a "substantial" one in terms of the Oct. 1993 Tokyo declaration, according to the official, who added that Yeltsin then agreed with Hashimoto.

The official said Hashimoto's use of the term "substantial" refers to progress in the bilateral territorial dispute over four islands off Japan's northernmost main island

of Hokkaido, and progress toward the two countries' signing of a peace treaty, the official said.

The Tokyo declaration, signed between Yeltsin and then Prime Minister Morihiro Hosokawa, calls for a solution to the dispute over the islands — Etorofu, Kunashiri, Shikotan and the Habomai islets — occupied since the former Soviet union seized them during the closing days of World War II.

There was no discussion of Yeltsin's health but the Russian president's voice was strong and loud, the official said.

Tokyo Wants To Start Territorial Talks With Moscow

OW0707093196 Tokyo ASAHI SHIMBUN
 in Japanese 5 Jul 96 Morning Edition p 2

[Unattributed article]

[FBIS Translated Text] Following the end of the Russian presidential election on 4 July, the Japanese Government hopes to start full-fledged negotiations on the northern territorial issue. It intends to resume a meeting of the Japan-Russia working group on concluding a peace treaty at the vice foreign ministerial level at an early date. However, the government is concerned that Russia, including President Boris Yeltsin, conspicuously expressed negative remarks on the territorial issue during the election campaign and that the Communist Party still has considerable influence. For this reason, the Ministry of Foreign Affairs [MOFA] will pay attention to the new Russian cabinet lineup and Russian statements to be made at international conferences.

Negotiations Should Be Based on the Tokyo Declaration

With President Yeltsin's reelection, Japan believes that the two countries "can start negotiations based on the Tokyo Declaration, which was issued on the occasion of the president's 1993 visit to Japan and which called for a solution to the territorial issue based on the principles of 'law and justice'" (as stated by a government source). For its part, MOFA hopes to decide on the schedule for a meeting of the peace treaty working group — which has been suspended since September 1995 — at a meeting between Foreign Minister Yukihiko Ikeda and his Russian counterpart, Yevgeniy Primakov, scheduled to be held in Indonesia in late July to coincide with the ASEAN Regional Forum (ARF).

The government anticipated that, if Communist Party leader Gennadiy Zyuganov — whose election platform was to "scrap the unequal treaty that he states impairs

Russia's national interests and dignity" — won the presidential election, he "would claim that the Tokyo Declaration promised by the former administration should be put aside" (according to a senior MOFA official). For this reason, the government "feels relieved for the present" (as stated by the same official). Successive Remarks "Rejecting" the Territorial Issue Were Made [sub-head]

Immediately after Primakov assumed office as foreign minister in January, he stated that the "territorial issue should be left to the next generation." This evoked a protest from the Japanese Government. After that, Russia confirmed the validity of the "Tokyo Declaration" both in the Japan-Russia foreign ministerial talks in March and the summit between Yeltsin and Prime Minister Ryutaro Hashimoto in April. However, Primakov again referred to "shelving" the issue in June. Immediately before the run-off election, Yeltsin himself stated that he "would not accept any demand regarding the territorial issue."

Regarding these remarks, a senior MOFA official stated: "Since these remarks were made in view of the election, we do not need to be worried about them." However, at the same time, he expressed growing concern, saying: "It is true that this indicates the actual situation of Russian society, in which the people hope for stability and order." He also thinks that the Communist Party — which has been negative about the territorial issue since the former USSR era — will certainly continue to gain the upper hand in parliament, where it is the dominant party.

The outlook for the lineup of the new Russian cabinet is uncertain. Aleksandr Lebed, who is a nationalist and patriot, joined the Yeltsin administration in the midst of the election campaign. However, he has not made noteworthy remarks in the past about the northern territorial issue, foreign policies, or other issues. The actual situation is that "it is impossible at present to predict how Mr. Lebed's presence will influence the Russian Government's foreign policies" (as stated by a MOFA source).

Japan: Warship Expected To Make 1st Russian Port Call in 71 Years

OW0707131996 Tokyo KYODO in English
1107 GMT 7 Jul 96

[FBIS Transcribed Text] Tokyo, July 7 KYODO — A Japanese destroyer will call at the Russian Far East port of Vladivostok in late July, becoming the first Japanese warship to visit Russia in 71 years, officials of the Maritime Self-Defense Force (MSDF) said Sunday.

The 5,200-ton destroyer Kurama will participate in a naval parade at Vladivostok Port July 28 marking the tricentennial anniversary of the Russian Navy, officials said.

The Kurama will become not only the first MSDF ship to visit Russia but also the first Japanese warship to do so in 71 years since the Imperial Navy cruiser Iwate visited Vladivostok in 1925, according to the National Institute for Defense Studies.

The United States, South Korea and China will also send warships to take part in the naval ceremony, they said.

During the Cold War era, the then Soviet Union was viewed by the Japanese Self-Defense Forces as an adversary, and Vladivostok was the target of intelligence activities due to the location there of the Soviet Pacific fleet.

Japan: Hashimoto Expected To Visit Chile Instead of Argentina

OW0407105596 Tokyo KYODO in English
0823 GMT 4 Jul 96

[FBIS Transcribed Text] Tokyo, July 4 KYODO — Prime Minister Ryutaro Hashimoto will visit Chile instead of Argentina on his planned four-nation Latin American tour in late August which will also take him to Brazil, Mexico and Peru, his aides said Thursday.

The destination was changed because Argentine President Carlos Saul Menem will not be in his country due to a tour of Southeast Asia around that time, they said.

Hashimoto will be the first Japanese premier to go to Chile in 37 years since then Prime Minister Nobusuke Kishi went there in 1959.

It will also be the first visit in 14 years to Brazil and Peru by a Japanese premier and the first in seven years to Mexico. It would have been the first in 37 years in the case of Argentina.

The tour is expected to take some 10 days beginning around August 20, although a precise schedule has not been fixed.

During the trip, Hashimoto is to pledge to leaders of the four Latin American nations that Japan will help them promote market economies and will further exchanges between Tokyo and the region, his aides said.

Japan: Hashimoto Wants Mexico Visit To Strengthen Bilateral Ties

OW0807113196 Tokyo KYODO in English
1018 GMT 8 Jul 96

[FBIS Transcribed Text] Tokyo, July 8 KYODO — Prime Minister Ryutaro Hashimoto said Monday he

wants to use his visit in late August to Mexico as an occasion to further promote bilateral friendship as next year marks the centennial of Japanese emigration to the Latin American country, a foreign ministry official said.

Hashimoto, in a 45-minute meeting at his official residence with Mexican Foreign Minister Jose Angel Gurría, said he is looking forward to the visit.

Gurría handed an official invitation to Hashimoto from Mexican President Ernesto Zedillo. Hashimoto will begin a 10-day tour starting Aug. 20 that will take him to Mexico, Chile, Brazil and Peru.

Hashimoto and Gurría agreed to work toward realizing a visit by Zedillo to Japan next year.

The Mexican foreign minister voiced his country's intention to invite Japanese Emperor Akihito and Empress Michiko for a visit, to which Hashimoto expressed gratitude and a promise to convey the invitation.

Gurría also thanked Hashimoto for Japan's financial assistance for Mexico to tackle environmental problems and improve the water supply system.

They also pledged cooperation as partners in the 18-member Asia-Pacific economic cooperation forum.

Gurría arrived in Japan on Sunday for a four-day official visit, mainly for talks with Foreign Minister Yukihiko Ikeda.

Japan: Ikeda, Mexican Counterpart Meet; Discuss U.S. Cuban Policy

*OW0807131896 Tokyo KYODO in English
1232 GMT 8 Jul 96*

[FBIS Transcribed Text] Tokyo, July 8 KYODO — Foreign Minister Yukihiko Ikeda and Mexican counterpart Jose Angel Gurría shared concerns Monday over U.S. legislation punishing foreign investors in Cuba.

Ikeda and Gurría, who arrived in Japan on Sunday for a four-day visit, reached the accord in a meeting in Tokyo, a foreign ministry official told reporters.

Gurría told Ikeda that Mexico cannot support the U.S. Helms-Burton Act, which allows the United States to take action against foreign companies that do business with Cuba, the official said.

Ikeda replied that Tokyo has called on Washington to use the controversial law carefully. But he added that Cuba, for its part, should promote domestic political freedom and economic liberalization, the official said.

The U.S. law was passed after Cuba shot down two U.S. civilian aircraft in February, killing four people. Cuba claimed the aircraft had intruded into its airspace.

The U.S. says the planes, operated by Cuban exiles in Miami, were flying over international waters.

Japan: South African Airways To Postpone Flights to Kansai

*OW0507115596 Tokyo KYODO in English
1042 GMT 5 Jul 96*

[FBIS Transcribed Text] Tokyo, July 5 KYODO — South African Airways said Friday it will commence its planned twice-weekly flights from Kansai International Airport to Johannesburg next April instead of in November as originally planned.

The postponement is due to the airline's failure to get approval for its desired departures and arrivals at Kansai International Airport in the Osaka Bay off Senshu, Osaka Prefecture, airline officials said.

Passengers will not be inconvenienced since the airline has not yet started taking reservations, they said.

Japan: Diplomat Meets 'Informally' With Dalai Lama in India

*OW0607140496 Tokyo KYODO in English
1333 GMT 6 Jul 96*

[FBIS Transcribed Text] Tokyo, July 6 KYODO — A Japanese diplomat stationed abroad has met informally with the Dalai Lama in an unusual contact between the Japanese Government and the exiled Tibetan spiritual leader, a Japanese legislator revealed Saturday.

Fumihiko Igarashi said the diplomat, a first secretary at the Japanese embassy in New Delhi, visited the Dalai Lama together with him and four other legislators belonging to a nonpartisan parliamentarians' league on Tibet at his residence in Dharmasala in northern India on April 30.

Igarashi, a House of Representatives member belonging to New Party Sakigake, the smallest of the three ruling coalition parties, broke the news at a Tokyo party marking the Dalai Lama's birthday.

He said the diplomat also joined talks between the legislators and members of the Tibetan government-in-exile.

Although the meeting had an unofficial character, Beijing, which insists the Himalayan region is an integral part of Chinese territory and does not recognize the Dalai Lama as a legitimate Tibetan leader, is not likely to let it go unprotected.

China is increasingly sensitive to criticism over human rights records in Tibet and accuses Dalai Lama supporters of encouraging secessionism.

Last month, Beijing canceled a visit by German Foreign Minister Klaus Kinkel after the German Parliament passed a resolution which rapped China's human rights record in Tibet and accused Beijing of trying to eradicate Tibetan culture.

Chinese troops Marched into Tibet in 1950 to cement China's longtime control over the region.

The Dalai Lama, holding the highest rank in the Tibetan clergy, and tens of thousands of his followers fled to India after a failed uprising in 1959 and established a government-in-exile there.

Japan: Sakigake Head To Urge PRC To Halt Nuclear Testing

OW0707095996 Tokyo KYODO in English
0810 GMT 7 Jul 96

[FBIS Transcribed Text] Tokyo, July 7 KYODO — New Party Sakigake leader Masayoshi Takemura will leave for Beijing on Tuesday for talks with Chinese leaders in a fresh bid to urge China to halt its nuclear testing, Sakigake officials said Sunday.

The officials said Takemura and six other Sakigake lawmakers will hold talks with Chinese Communist Party chief Jiang Zemin and other leaders on the nuclear issue, Japan's economic aid and other items.

Takemura said his mission will seek an explanation about China's nuclear testing and stress the need for an early conclusion of the proposed comprehensive nuclear test ban treaty.

As leader of one of the three ruling coalition parties, Takemura has been outspoken about China's nuclear testing and cautious about extending economic aid to China after it conducted a series of nuclear tests. The other ruling parties are the Liberal Democratic Party and the Social Democratic Party.

Takemura's visit to China also comes at a time of a reported rift between him and Yukio Hatoyama, the party's chief secretary who is prepared to launch a new political party ahead of the next general election for the House of Representatives.

After his trip to Beijing, the Sakigake officials said, Takemura will visit Inner Mongolia's Kubuqi desert to participate in a tree-planting ceremony as part of what they called "environmental peacekeeping operations."

Takemura, a former finance minister, said his group will also talk with Chinese officials about how Japan can best assist China in its greening campaign.

Japan: Paper Says PRC Firms To List on Stock Market

OW0707022196 Tokyo KYODO in English
0143 GMT 7 Jul 96

[FBIS Transcribed Text] Tokyo, July 7 KYODO — The Japanese and Chinese Governments will agree on the listing of Chinese companies on the Tokyo Stock Exchange (TSE) by as early as the end of this month, allowing Chinese stocks to debut in Japan by the year-end at the earliest, a major daily said Sunday.

According to the ASAHI SHIMBUN, the finance ministry's Securities Bureau and the TSE will exchange a memorandum on the listing of Chinese stocks with the China Securities Regulatory Commission (CSRC) after the two governments give the go-ahead.

The anticipated listing of Chinese companies, which will enable Japanese investors to freely buy or sell Chinese stocks, is expected to promote investment in Chinese enterprises.

Several Chinese companies, including a pharmaceutical manufacturer and an automaker, have been cited as candidates for going public on the TSE, the daily said.

A number of foreign companies withdrew from the TSE in the wake of the burst of the asset-inflated bubble economy in the late 1980s. This prompted the TSE to make efforts to lure rapidly growing Asian companies by easing listing requirements.

YTL Corp, a Malaysian holding company, became the first non-Japanese Asian company to go public on the TSE in February.

Chinese companies have gone public in overseas stock markets since 1993 in line with China's policy of privatizing state-run enterprises and modernizing company management.

Japan: Agricultural Cooperatives To Cut 50,000 Jobs

OW0507134396 Tokyo KYODO in English
1306 GMT 5 Jul 96

[FBIS Transcribed Text] Tokyo, July 5 KYODO — Japan's agricultural cooperatives decided Friday to slash their 350,000 workforce by 50,000, or 14.3 percent, by the year 2000 as part of a restructuring plan, co-op officials said.

They said the decision was made at a board meeting of the Central Union of Agricultural Cooperatives (Zenchu), an umbrella organization of the country's farm co-ops.

The officials said the job cuts will be made by not taking on new employees and by offering benefits for staff to take early retirement.

Some cooperatives have already cut down on the number of people they normally recruit at the start of the business year in April, they noted.

The cooperatives will also try to cut down on management costs by merging and reducing some branches, and will be looking to boost efficiency by developing financial systems, the officials said.

The board meeting also confirmed the need to reorganize the four-layer cooperative organization into a two-layer one by the year 2000.

Prefectural-level cooperatives will be integrated into a national organization, while co-ops' business bodies will be separated into individual and national cooperatives.

After the integration, the new organization will not inherit bad loans to nonbank financing companies. The various bodies holding the bad loans will dispose of them before the integration or draw up clear outlines for their disposal, the officials said.

Japan: Police Arrest Executives of 'Jusen' Borrower

OW0707052496 Tokyo KYODO in English
0452 GMT 7 Jul 96

[FBIS Transcribed Text] Tokyo, July 7 KYODO — Two former executives of Realtor Anchor, a major borrower from "jusen" housing loan companies, have been arrested on suspicion of obstruction of fair auction, the Tokyo Metropolitan Police Headquarters said Sunday.

Yo Imai, 44, and Hidejiro Matsushita, 54, submitted to the Tokyo District Court in October 1993 a fake lease contract between Anchor and a company at which Matsushita was a director, after learning that Anchor-held property in Tokyo's Setagaya Ward was put up for auction by the court, they said.

The finance ministry's list of loans by jusen firms shows Anchor has total debts of about 10 billion yen to jusen companies.

Last May, two other Anchor executives were indicted on the same charges for allegedly faking a contract for a condominium in Fukuoka, southern Japan.

Japan: JNR-Related Debts Expected To Swell to 24.4 Trillion Yen

OW0507060996 Tokyo KYODO in English
0522 GMT 5 Jul 96

[FBIS Transcribed Text] Tokyo, July 5 KYODO — The balance of net liabilities linked to the defunct Japanese

National Railways (JNR) will swell by 5.3 trillion yen over the next three years to reach 24.4 trillion yen in April 1999, due mainly to interest on the debts, the Transport Ministry said Friday.

The debt, which will eventually require settlement with money from the national coffers, is equal to 200,000 yen per person, the ministry said.

The figure represents liabilities taken over by a state-run debt-disposal agency after the 1987 JNR privatization minus the market value of its stock and land holdings.

The estimate was made on the assumption that the agency, JNR Settlement Corp., will succeed in selling off all of its holdings of real estate and stocks, which were formally owned by the JNR.

The JNR was broken up into six Japan Railways (JR) companies and one freight railway operator in 1987.

At present, JNR Settlement Corp. is saddled with long-term debts totaling 27.6 trillion yen.

Although this figure will be reduced by the expected asset liquidation, the liabilities will increase as a result of an annual payout of 1.3 trillion yen in interest on the debts.

In 1988, the cabinet approved a plan to have the national treasury take charge of repaying all outstanding liabilities after the disposal of all sellable assets.

Japan: Government Considering Exception to Okinawa-Related Budget

OW0707135896 Tokyo NIHON KEIZAI SHIMBUN
in Japanese 6 Jul 96 Morning Edition p 1

[FBIS Translated Text] The government and ruling coalition have begun studying a plan to make a virtual exception of expenses for promoting Okinawa Prefecture's economy and relocating U.S. military bases in deciding on budget request ceilings for the FY97 draft budget. They are considering incorporating this "special consideration" in a cabinet approval on FY97 budget ceilings. Although the scale of the Okinawa-related budget is unknown at present, a final plan for reorganizing, consolidating, and reducing U.S. military bases in Okinawa will be worked out around this fall and measures to promote the development of Okinawa are also scheduled to be spelled out. For this reason, the government and ruling coalition hope to pave the way for flexibly dealing with the Okinawa issue in fiscal affairs. If necessary, they will study possibly requesting Okinawa-related expenses in the FY96 supplementary budget ahead of schedule.

Although Okinawa-related expenses will be required in government expenditures over a period of years

starting from FY97, concrete details have not yet been decided on. In deciding on budget request ceilings for FY97 by the end of July, it is difficult to set a "special ceiling" for Okinawa-related expenses by indicating clear figures. However, since fiscal measures will certainly be necessary before the FY97 budget is compiled at the end of 1996, the government and ruling coalition have concluded that some consideration must be given to Okinawa-related expenses.

In concrete terms, it is likely that exceptional treatment in handling Okinawa-related expenses will be stipulated in documents on a cabinet decision on budget ceilings for FY97. Separately from indicating ceilings in figures for ministries' and agencies' budget requests for ordinary expenses, including materials spending, and investment-related expenses, including public works spending, the government plans to stipulate that it "will study" the handling of Okinawa-related expenses "in the process of compiling the budget." It will be possible for the government to increase Okinawa-related expenses after budget requests are made at the end of August based on unified ceilings for ministries and agencies.

A similar exceptional treatment in budget ceilings was given to reconstruction expenses related to the great Hanshin-Awaji earthquake in FY96 and agricultural expenses related to the Uruguay Round agreements in FY95.

In preparing for special legislation concerning forced use of military bases and other land, the Liberal Democratic Party has begun working out measures to promote Okinawa Prefecture's economy to pave the way for obtaining understanding of the Okinawan people and the Social Democratic Party. The party has now begun studying such plans as increasing public works spending, taking measures to lighten the tax burden, constructing a hub airport as a major international airport, improving harbor facilities, and turning Okinawa into a free trade zone on a medium-to-long term basis.

Japan: LDP To Earmark Budget for Activation of Okinawan Economy

OW0807045096 Tokyo MAINICHI SHIMBUN
in Japanese 7 Jul 96 Morning Edition p 2

[FBIS Translated Text] Regarding measures for promoting the economy in Okinawa, which are related to the issue of U.S. military bases, the Liberal Democratic Party (LDP) on 6 July firmed up its policy of earmarking expenses for promotion projects over several fiscal years. This is a method introduced for agricultural measures (about 6 trillion yen over six years), which were mapped out following the agreement reached at the new

multilateral trade talks (Uruguay Round) of the General Agreement on Tariff and Trade (GATT). To be concrete, an idea was reached to appropriate a total of "2 trillion yen over seven years, until the return of Futenma Marine Corps Air Station." Moreover, in responding to a request from the same prefecture, the LDP plans to ask the government to lower the landing fees at Naha Airport significantly to increase the number of tourists and to earmark expenses for a project to activate the Okinawa free trade zone. The LDP will do so as it submits a budget request for FY97.

Since land lease contracts of some 300 landowners for 12 U.S. military facilities will expire in May of next year, a major aim of the promotion measures is to gain understanding from the prefectural people and the Social Democratic Party over the issue of improving laws for speeding up the procedures needed for forceful use of the base land. The LDP's "special research council for Okinawa's comprehensive promotion measures" (chairman: LDP Secretary General Koichi Kato), which was established under the direct control of LDP President (and Prime Minister) Ryutaro Hashimoto, is studying the measures. The LDP will begin coordinations within the ruling coalition parties to accelerate the budget appropriation and to earmark some of the expenses in a supplementary budget.

The LDP thinks that a Supreme Court decision, which is expected to be made in September, on the "suit for proxy signing" and the measures for economic promotion offers a good chance to find a way out of the complicated base land dispute. Therefore, the party wants to make the stand of the government and the ruling parties widely known to the public by appropriating a large amount of project expenses over several fiscal years.

It is estimated that the expenses needed for reduction of the military bases, including the return of Futenma, will amount to some one trillion yen. Aside from this, the party plans to appropriate funds for the economic promotion measures. The money will be used for such purposes as increasing public works projects, improvement of the base land after its return, and construction of international resort facilities.

Meanwhile, each airline company pays landing fees to the central government, who has the jurisdiction of the airport. Currently, a landing fee for one jumbo jet is 410,000 yen. The LDP aims to bring down the price of air tickets by lowering the landing fees and thereby attracting more tourists.

The free trade zone is a project aimed at making Okinawa a base for transit trade where goods are brought in and shipped out without paying tariffs. An

area near Naha Airport was approved by the director of the Okinawa Development Agency as a free trade zone. Since its scale is small, however, many companies at the free zone are not making large profits.

Japan: DA Wants To Separate Base Cut Budget From Defense Budget

OW0807024996 Tokyo YOMIURI SHIMBUN
in Japanese 6 Jul 96 Morning Edition p 2

[FBIS Translated Text] Defense Agency [DA] Director General Usui commented on spending on streamlining and reducing U.S. military bases in Okinawa, saying on 5 July: "It is necessary to abolish the conventional way to appropriate and implement budgets and establish a new drastic framework." His remark was a call for the separation of base reduction-related spending from the defense budget. He made the remark at an informal meeting of cabinet ministers to review budget ceilings for the next fiscal year.

At a press conference held after the meeting, Usui indicated that it would be proper to appropriate spending on base cuts in the budget of the prime minister's office. He revealed his view that increased spending on base countermeasures is also needed, saying "we need to compensate municipalities to which military bases will be located by taking measures to develop the areas surrounding the bases." But the Finance Ministry and the Social Democratic Party contend that "this spending should be raised by cutting the defense budget." It therefore seems likely that intra-government and coalition coordination will face rough going.

As for the streamlining and reduction of the U.S. military bases in Okinawa, both the Governments of Japan and the United States agreed in an interim of the Special Action Committee on Okinawa (SACO) to return 11 facilities. It is estimated that several hundred billion yen will be needed. If the cost of building a substitute heliport for the Marine Corps Air Station Futenma is included, spending is estimated at 600-800 billion yen.

To protect the defense budget from exceeding 1 percent of the Gross National Product, the DA plans to appropriate spending on the streamlining and reduction of the U.S. military bases as a separate budget from the defense budget, and is considering transferring it to the budget of the Defense Facilities Administration Agency when budget separation has been implemented.

There is a precedent for budget transfer. Among the expenses for a project to observe the South Pole, which was appropriated in the Education Ministry's budget, the transportation costs of the Maritime Self-Defense

Forces observation ship "Shirase" were borne by the DA.

Japan: Discord Between LDP, SDP Over Okinawa Issue

OW0707104396 Tokyo TOKYO SHIMBUN
in Japanese 4 Jul 96 Morning Edition p 3

[By political reporters Chikashi Aoki and Yasuyuki Oguri: "Special Legislation" Issue Undermines LDP-SDP Alliance"]

[FBIS Translated Text] The issue of enacting legislation to accelerate procedures for forced use of land for the U.S. forces on Okinawa will be a matter of primary political concern this autumn. Leases on military-occupied land owned by some 3,000 landowners expire in May next year. Under such circumstances, the government and the Liberal Democratic Party [LDP] plan to build up a legal basis for the forced use of land during the autumn extraordinary Diet session, while bearing in mind enacting "special legislation." However, the Social Democratic Party [SDP] has voiced opposition to a new law. Confrontation between the LDP and SDP over the Okinawa issue may lead to the breakup of their alliance and trigger political confusion. The Hashimoto coalition government will likely undergo hardships in autumn.

Reservations

Prime Minister Ryutaro Hashimoto once said carelessly: "The law on forced expropriation of land for the U.S. Military is too much."

Enacting "special legislation" to shift the authority to expropriate land for use by the U.S. Military from local authorities to the central government may be criticized as a "high-handed measure." Thus, Hashimoto's true feeling is that, if possible, the government should do without special legislation.

An ideal scenario for the prime minister is: In early September, the Supreme Court makes a ruling in favor of the state on the dispute between the central and Okinawa prefectural governments over the proxy signing of documents needed for continued use of land for the U.S. Military, and then Okinawa Governor Masahide Ota changes his policy of rejecting the proxy signing.

The second best scenario is: By revising the current law and abolishing the system of assigning state functions for land expropriation to local authorities, the government avoids "illegal occupation" of private land owned by about 3,000 people after the land leases expire in May next year.

LDP Secretary General Koichi Kato and other party leaders hoping to maintain the alliance between the

LDP, the SDP, and New Party Sakigake have taken a cautious approach toward the enactment of new legislation. The LDP has no confidence in obtaining the majority of seats single-handedly in the next general election. However, it will be able to stay in power if it can secure more seats than other parties. However, if management of political affairs following the election is considered, the LDP cannot afford to get on bad terms with the SDP and break their alliance now.

Suspicion

"The government has said it will adopt a bill on nursing insurance plans during the forthcoming extraordinary Diet session. Does the government intend to use this as a 'bargaining point' to make us accept new legislation?" This suspicion is spreading within the SDP.

Following the Group of Seven industrialized nations summit in Lyons, France, Hashimoto told reporters accompanying him on his France trip that he would like to enact a law on public nursing insurance during the next extraordinary Diet session to be convened in October. The SDP takes the prime minister's remarks as a suggestion that in return for the adoption of the bill, the SDP should take the blame for the forced use of land with the LDP. The SDP has strongly called for the establishment of the nursing insurance system in preparations for a general election.

There is a deep-rooted opinion within the LDP saying that to solve the Okinawa issue, which would undermine the foundation of the Japan-U.S. security system, it is necessary to form an alliance between conservative forces in the key ruling and opposition parties. Behind this lies a belief that the SDP will not be able to ignore Okinawan residents' opinions and will eventually revert to its old "stand against military bases."

LDP members advocating this view consider the New Frontier Party (NFP) a new partner to replace the SDP. Meanwhile, the NFP has cast sheep's eyes at the LDP, with General Council Chairman Kozo Watanabe showing approval of enacting special legislation.

Some LDP members have called for dissolving the House of Representatives for a general election immediately after the extraordinary Diet session is convened in autumn. Some people take this as a "threat" against the SDP because the party is afraid of losing seats in the general election. The call also carries implications that unless the SDP softens its stand, the prime minister will dissolve the lower house.

Commotion

On the night of 26 June, Okinawa Vice Governor Masanori Yoshimoto, who is Governor Masahide Ota's

right-hand man, met with SDP members, including Chairman Tomiichi Murayama and Secretary General Kanju Sato, at a Tokyo restaurant.

During the meeting held at the request of the SDP, they showed Yoshimoto a memo entitled, "Okinawa Issues Are a Matter of Primary Political Concern." The title tells what the meeting's purpose was.

Although the SDP has voiced opposition to enacting special legislation, it is in a commotion. The party will not know what to say in reply if the government and the LDP defiantly ask it "what we should do if the state illegally occupies many tracts of land." If the SDP continues to take an intransigent attitude, it must expect dissolution of the lower house.

Some senior SDP members are considering making a "compromise proposal" that if the government uses Okinawa's base reduction plan, which calls for abolition of all U.S. bases on the island by 2015, as a tool for negotiating with the United States, the SDP will accept special legislation as a transient measure effective until the completion of the return of U.S. military bases to Japan.

Recently, SDP Chairman Murayama has begun to say: "We do not mean to stubbornly oppose special legislation."

However, some SDP members argue that the party should take this opportunity and leave the ruling coalition and prepare for a general election.

The results of Okinawa's September referendum on the U.S. military presence may give a boost to this opinion.

With backdoor tactics, the LDP tries to keep the SDP in the ruling coalition. Meanwhile, the SDP is likely to be confused for the time being. While using various tactics to promote things just as they wish, the two parties are also seeking ways to achieve a "soft-landing" of the Okinawa issue.

Japan: Murayama, Takemura Give No Details for New Party Plans

OW0607130796 Tokyo KYODO in English
1149 GMT 6 Jul 96

[FBIS Transcribed Text] Otsu, Japan, July 6 KYODO — The leaders of two parties in the ruling coalition expressed their resolve Saturday to form a new political force but failed to reveal any details.

Former Prime Minister Tomiichi Murayama, head of the Social Democratic Party (SDP), and former Finance Minister Masayoshi Takemura, leader of New Party Sakigake, talked about new party plans at a symposium

sponsored by the SDP in Otsu, Shiga Prefecture, western Japan.

The SDP is the no. 2 force in the three-party ruling coalition led by the conservative Liberal Democratic Party while Sakigake is the smallest member of the alliance.

"We have to bring together new political forces at all costs," Murayama told the session, adding he plans to organize local liberal political groups into a grand alliance.

Takemura stressed the need for a new political force but said, "no details can be unveiled at the present stage."

He said this summer will be the last major opportunity to discuss the establishment of a new party because of a snap general election expected later this year or early next year.

In a related development, Yukio Hatoyama, secretary general of Sakigake, said in a lecture in Utsunomiya, north of Tokyo, that he aims to form a new party in which Takemura will participate.

He said he will coordinate views on key policy issues with Hajime Funada of the main opposition Shinshinto (New Frontier Party) on conditions for a new party.

Hatoyama added he and Funada, both regarded as leaders of new-generation politicians, have yet to straighten out views on Japan's permanent membership in the U.N. Security Council, its right to enter collective self-defense alliances and the status of Murayama and Takemura in a new party.

Japan: Sakigake Chief Says Administrative Reform 'Priority'

OW0707052396 Tokyo KYODO in English
0454 GMT 7 Jul 96

[FBIS Transcribed Text] Tokyo, July 7 KYODO — New Party Sakigake Chief Secretary Yukio Hatoyama indicated Sunday on a television discussion program that administrative reform would be a priority if he forms a new party.

Hatoyama said, "What must be done urgently is structural reform of the finance ministry and privatization of three postal business areas, and the number of ministries and agencies should be cut to 10 or less."

On finance ministry reform, Hatoyama, who is regarded as at the forefront of expected political reform this fall, emphasized the need to separate the financial sector from the national taxation and monetary sectors.

Touching on the present cabinet under Prime Minister Ryutaro Hashimoto, Hatoyama said only Health and

Welfare Minister Naoto Kan has been doing things at his own initiative.

Japan: Shinshinto's Hata Says Oct House Dissolution Possible

OW0607105696 Tokyo KYODO in English
1035 GMT 6 Jul 96

[FBIS Transcribed Text] Otsu, Japan, July 6 KYODO — Former Prime Minister Tsutomu Hata said Saturday the House of Representatives may be dissolved in October for snap general elections in November.

"We cannot rule out the possibility of a dissolution in October" because it may be advisable for the ruling coalition to dissolve the lower house while it enjoys a measure of popular support, said Hata, a member of the major opposition Shinshinto (New Frontier Party).

"I am expecting they will aim at Nov. 10 or 24 (as election day)," he told a press conference in Otsu, Shiga Prefecture, western Japan.

At a separate news conference in Otsu, Tomiichi Murayama, head of the Social Democratic Party (SDP), one of the three ruling coalition parties, said he expects a dissolution of the lower house around the year's end or the beginning of next year.

Hata also expressed approval of a proposed legislation making it easier for the government to continue the forced lease of land in Okinawa Prefecture for U.S. military bases.

"I think it is necessary because there are many (landowners whose leases will expire next year)," Hata said.

Murayama suggested that the ruling coalition can cooperate over the special legislation, saying, "there is no big difference (in opinion) between us and the Liberal Democratic Party (LDP)."

The LDP, the largest force in the ruling coalition, has backed such legislation, but the SDP and New Party Sakigake, the other two coalition partners, are cautious toward it.

While noting the special legislation would be politically risky because of its likely objection in Okinawa Prefecture, Murayama said, "it is necessary to have some prospects of resolving the issue by the time an extraordinary Diet session (in fall) reaches a turning point."

Murayama also supported a proposal to earmark some spending for the development of Okinawa under a supplementary budget for the current fiscal year, saying, "we'd better do what we can."

Japan: Shinshinto's Hata Flexible on Tie-up With New Party

OW0707121796 Tokyo KYODO in English
1113 GMT 7 Jul 96

[FBIS Transcribed Text] Nagano, Japan, July 7 KYODO — Former Prime Minister Tsutomu Hata, a senior member of the largest opposition Shinshinto (New Frontier Party), on Sunday signaled his party's readiness to cooperate with a new party to be launched by Yukio Hatoyama, chief secretary of New Party Sakigake.

Hata made the remark at a news conference in Shiojiri in his native Nagano Prefecture.

Hatoyama's Sakigake is part of Japan's ruling coalition with the Liberal Democratic Party (LDP) and the Social Democratic Party.

Hata said he expects Shinshinto leader Ichiro Ozawa to carry out a personnel shake-up to rejuvenate and bring harmony to the party.

Japan: Sumitomo, TCI of U.S. Agree on Satellite Broadcasting in Asia

OW0807021896 Tokyo KYODO in English
0011 GMT 8 Jul 96

[FBIS Transcribed Text] Tokyo, July 8 KYODO — Sumitomo Corp., a major Japanese trading house, and Tele-Communications Inc. (TCI), the largest U.S. cable television operator, will begin satellite TV broadcasting as early as January in 10 Asia-Pacific countries and regions, a Sumitomo spokesman said Monday.

The two companies will join hands with Tokyo Broadcasting System Inc. (TBS) and other key Japanese commercial TV stations to provide entertainment programs in four languages — Japanese, English, Chinese and Thai, he said.

The programs will go to cable-TV stations and hotels via the Panamsat 2 satellite in the 10 countries and regions — Taiwan, Hong Kong, Singapore, Thailand, the Philippines, Malaysia, Indonesia, part of China, Australia and New Zealand, the spokesman said.

Sumitomo and TCI will set up in Singapore in September a new company, Japan Entertainment Television Inc., to be capitalized at 15 million U.S. dollars.

The new firm will be 65 percent owned by Jupiter Programming Co., a fifty-fifty joint venture between Sumitomo and TCI, 5 percent by Sumitomo's subsidiary in Singapore, and 30 percent by the Japanese TV networks involved, he said.

Sumitomo has reached basic agreement with TBS regarding its participation in the new service, and is

now negotiating with Nippon Television Network Corp. (NTV), Television Tokyo Channel 12 Ltd. and other networks.

Sumitomo and TCI plans to offer only one 24-hour channel for the time being but intend to boost the number of channels in the future.

Sumitomo expects five million households as initial subscribers and plans to expand the satellite TV broadcasting to TCI's U.S. subscribers, now at about 13 million.

The broadcasting of Japanese TV programs abroad in effect has been limited so far to those provided by the publicly funded Japan Broadcasting Corp. (NHK).

Japan: Toray Sets Up Finance Firms To Fund Overseas Expansion

OW0807060896 Tokyo KYODO in English
0545 GMT 8 Jul 96

[FBIS Transcribed Text] Tokyo, July 8 KYODO — Toray Industries Inc. has set up subsidiaries in the United States and the Netherlands to offer financing for its group companies overseas, the textile maker said Monday.

Its U.S. subsidiary Toray Industries (America) Inc. has set up Toray Capital (America) Inc., capitalized at about 63 million yen in New York City, while Toray itself has established Toray Capital (Europe) B.V. in Amsterdam, with capital of about 51.2 million yen, a company official said.

The new companies will raise funds mainly through issuance of corporate bonds and finance overseas business operations in non-textile sectors such as film and resins, as well as mainline textile areas, the official said.

In the next three years, Toray will invest more than several billion yen each year in the group companies for business expansion, he said.

North Korea

DPRK: KEDO Delegation's Arrival in Pyongyang Reported

SK0607113096 Pyongyang KCNA in English
1131 GMT 6 Jul 96

[FBIS Transcribed Text] Pyongyang, July 6 (KCNA) — The 6th group of the U.S.-led Korean Peninsula Energy Development Organization (KEDO) arrived here today by air to survey the site for the light-water reactor project in accordance with the DPRK-U.S. Framework Agreement.

DPRK: U.S. Preventive Strategy 'Scenario' for Another Korean War*SK0607074896 Pyongyang KCNA in English
0728 GMT 6 Jul 96*

[FBIS Transcribed Text] Pyongyang, July 6 (KCNA) — NODONG SINMUN today gives an analysis of the "preventive strategy" the imperialists are pushing ahead with allegedly to "prevent regional crisis and disputes," "save the situation" and "ensure peace and stability".

The U.S. "preventive strategy" is, in essence, aimed at expanding the sphere of its military control and domination in different regions under the pretext of preventing regional crisis and disputes, the daily says, and continues:

After the end of the cold war, the United States, styling itself the "only superpower in the world", has said any regional crisis and disputes cannot be "coordinated" without its interference.

The main target of its "preventive strategy" is Asia.

The United States wants to contain and reject other powers' influence in Asia and establish a sphere of its unfettered domination. The "preventive strategy" is motivated by this demand and strategic intention.

Since the collapse of the Soviet Union, the U.S. hawks have lost the reason of the U.S. military presence in East Asia. So, they intend to keep huge Armed Forces in this region indefinitely under the pretext of "preventing disputes" and, in this way, get upperhand in strength in Asia and expand their military influence.

Though the Cold War has come to an end, the U.S. is trying to strengthen not only military alliance with Japan and with South Korea and the U.S.-Japan-South Korea tripartite military alliance but "security alliance" with other nations in Asia.

In other words, the U.S. intends to establish a new U.S.-sponsored aggressive "security system".

The U.S. "preventive strategy" is closely linked with the policy for stifling the Democratic People's Republic of Korea.

In actuality, the "strategy", aimed at the DPRK, is a new scenario of another Korean war.

Due to the "strategy" the danger of war has been increasing in the Korean peninsula and the sovereignty and security of Asian nations have been threatened gravely.

The "preventive strategy", means of aggression and armed intervention, can never be justified.

DPRK Kim Yong-sam Denounced for 'Toadying' to U.S.*SK0707083496 Pyongyang Korean Central
Broadcasting Network in Korean 1223 GMT 6 Jul 96*

[Commentary by Chong Pong-kil: "It Is the Traitor Kim Yong-sam Who Aggravates Tensions"]

[FBIS Translated Text] The traitor Kim Yong-sam, an uncommon toadying nation-seller and vicious warmonger, has continuously made remarks or taken actions that aggravate tensions in Korea and Asia in general.

According to reports, whenever opportunities arise, the traitor Kim Yong-sam begs that the U.S. imperialist forces of aggression be stationed permanently in South Korea, stating that the U.S. Forces in South Korea are so-called forces that deter the aggravation of tensions. He also highly praises the arms buildup of the United States.

Moreover, on 24 June, he visited a unit of the puppet Armed Forces and defended the plan by MacArthur, ill reputed as commander of the UN forces during the Korean war, for bombing Northeast China. The puppet traitor raved that Korea might already be reunified if Northeast China had been bombed according to MacArthur's plan.

This again shows how vicious a warmonger the traitor Kim Yong-sam is. Due to the bellicose nature of the traitor Kim Yong-sam and his policy of war, the North-South confrontation has become sharper on the Korean peninsula, and the situation is unpredictably headed for the brink of war.

As a result of the reckless war maneuvers by the traitor Kim Yong-sam, U.S. nuclear weapons and latest-model operational equipment have continuously been brought into South Korea: Nuclear-powered submarines, B-1B nuclear bombers, AH-64 Apache helicopters, and much other latest-model equipment have been brought in the last few months alone.

The United States considers our Republic to be its foremost target in the post-Cold War era. While talking about instability on the Korean peninsula, the United States raves as if we will invade South Korea immediately and as if it is bringing weapons into South Korea to prevent such an aggression. Needless to say, this is a mere excuse to implement its strategy toward the Asia-Pacific region. The traitor Kim Yong-sam, serving as a shock brigade for implementing the U.S. imperialists' strategy toward the Asia-Pacific region, is willingly complying with their requests.

Needless to say, the U.S. Forces in South Korea and their arms buildup do not guarantee peace and security

on the Korean peninsula, but rather aggravate tensions. If the United States had not brought approximately 1,000 nuclear weapons and operational equipment of all sorts into South Korea and stationed approximately 40,000 troops there, the situation on the Korean peninsula would not have been this dismal, and confrontation would not have been this sharp. The U.S. forces' occupation of South Korea and their arms buildup are, needless to say, fundamental obstacles to peace in Korea and to peaceful reunification.

Nevertheless, the traitor Kim Yong-sam constantly begs for the U.S. forces' permanent presence and arms buildup. The traitor Kim Yong-sam is truly a traitor impregnated with toadyism and treachery. He is also the archenemy of the nation who ignores peace in the country and the nation's future in favor of his long-term power and his life of splendor.

How vicious a warmonger the traitor Kim Yong-sam is is clearly shown by the fact that the bastard unhesitatingly defended the plan by MacArthur, the uncommon murderer, to bomb Northeast China during the Korean war. As is known, MacArthur was a warmonger and murderer who inflicted indescribable misfortune and pain on our people and the Chinese people as commander of the U.S. Forces Far East during World War II, and as commander of the illegally formed UN Forces during the Korean war in 1950. Even after nearly 50 years, his crime against the Korean and Chinese people is still unforgettable, and it will never be forgotten.

Now that half a century has passed, the traitor Kim Yong-sam still feels sorry that MacArthur did not bomb Northeast China and expand the war of aggression throughout China. What worse bellicose element could there be? Indeed, the traitor Kim Yong-sam is a common enemy to the peoples of the two countries, because he is crazy about turning the entire area of Korea and China into a sea of fire from the U.S. imperialists' war of aggression. Facts indisputably show that the traitor Kim Yong-sam is a rare bellicose element, and is the one aggravating tensions.

It is the shame of our nation that a warmonger is inside the country. The traitor Kim Yong-sam will pay dearly for his preposterous crime against history and nation, and will be destroyed without fail.

DPRK: Paper Denounces ROK for Not Allowing 'Condolers'

SK0607044996 *Pyongyang KCNA in English*
0402 GMT 6 Jul 96

["Fascist Step Against Students, Dissidents in S. Korea" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, July 6 (KCNA) — The South Korean puppets have kept student organization leaders and dissidents from departing from South Korea. The victims are three leaders of the South Korean Federation of University Student Councils including its Chairman Chong Myong-ki and chairman of the Seoul District Federation of University Student Councils Pak Pyong-in and 5-6 dissidents. The puppets have alleged that they are likely to "send condolers to Pyongyang on the occasion of the second anniversary of the death of the great leader President Kim Il-song."

Commenting on the fact, NODONG SINMUN today says such a fascist step can be taken only by truculent fascist tyrants bereft of national conscience and ignorant of elementary ethics, morality and courtesy.

The daily further says:

If the student leaders and dissidents want to send condolers to Pyongyang, it would be right because such an act is prompted by the South Korean people's ardent reverence for the father of the nation. So, the fascist step is only considered to be a never-to-be condoned crime against the South Korean people, who deeply respect and venerate the father of the nation.

We will never pardon the Kim Yong-sam group, who committed an anti-ethic, barbarous act seriously hurting the fellow countrymen in the North and are still continuing such criminal acts against the South Korean people. We will make them pay dearly for their acts.

DPRK Commentary Denounces ROK's 'Arms Buildup'

SK0607035996 *Pyongyang Korean Central Broadcasting Network in Korean* 1225 GMT 5 Jul 96

[Commentary by Yun Pyong-son: "Arms Buildup Maneuver To Harm Fellow Countrymen"]

[FBIS Translated Text] The South Korean puppets who are frenziedly preparing for a war to invade the North, are all the more heated up in arms buildup maneuvers. One of such maneuvers is that the Kim Yong-sam ring is trying to drag in up-to-date murderous weapons from abroad.

According to the 30 June edition of the South Korean paper, CHOSUN ILBO, the Kim Yong-sam ring introduced 27 large-caliber [word indistinct] rockets, and

with this as the axis, it decided to newly form a battalion. The puppets also decided to drag in various missiles including antiartillery radar and air-to-air missile and unmanned reconnaissance planes from the United States and dispatch them for actual warfare. To carry this out, the puppet Defense Ministry decided to settle next year's so-called budget of defense strength improvement project at 4 trillion 223.2 billion won which is an increase by 21.8 percent compared with this year. This clearly shows how much the Kim Yong-sam ring is frantically running amok in the arms buildup maneuver. It is another intolerable challenge and provocation toward our people's will for peace and peaceful reunification.

The enormous armed forces of the North and South are face to face on either side of the Military Demarcation Line (MDL). No other problem on the Korean peninsula is as imminent as the easing of tension and guaranteeing peace. Therefore, if tension is to be eased and peace guaranteed, both sides of the North and South must move toward the road of reducing armaments. This is in accordance with the world trend which is moving toward detente after the end of the Cold War, and our nation's desire yearning for reconciliation, unity, peace, and reunification.

Nevertheless, the Kim Yong-sam ring is talking about peace and easing tension, but in reality it is accelerating arms buildup behind the curtain. This is an intolerable antinational criminal act to harm fellow countrymen. The puppet clique's arms buildup maneuver is linked with war provocation. Provoking a war for northward invasion by working to complete war preparations are part of the consistent attempts at aggression pursued by the puppet clique.

The Kim Yong-sam clique has changed the entirety of South Korea into an explosive warehouse of war and an exhibition hall of murderous weapons. Not satisfied with this, the Kim Yong-sam clique recklessly squandered the money it plundered from the people and is trying to drag in up-to-date murderous weapons. This is to put such aggressive attempts into practice.

The war frenzy by the South Korean puppets is becoming all the more reckless with each passing day. War exercises to invade the North are being carried out everyday in the sky, on the ground, and sea of South Korea, and grave military provocative acts including offensive operational exercise aimed at breaking through the demarcation line along the whole area of the MDL, are being committed consecutively.

Judging from the behavior of traitor Kim Yong-sam who changed the South side's region of the DMZ into an offensive launch camp to invade the North and

instigated war fever by crawling right beneath the MDL, and judging from the reckless arms buildup maneuver to harm the fellow countrymen, it is apparent that the traitorous Kim Yong-sam clique is trying to provoke a war to invade the North, without fail.

The launching mechanism [kyokpalki] for a war to invade the North has already been pulled. What is left is the problem of the time of when war will be provoked. The reckless military moves by the puppets; the tense situation created on the Korean peninsula; and the chaotic South Korean situation show that this is not a far away matter, but a reality which is right before our eyes.

As long as the Kim Yong-sam ring, which is a very wicked war maniac, sits in the seat of power, our nation cannot be free from the danger of war even for a minute. To live together happily in a war-free and peaceful world is the consistent desire of all the Korean people of the North and South.

If the danger of war on the Korean peninsula is to be prevented and peace guaranteed, the Kim Yong-sam ring which is aggravating a tense situation and intensifying North-South confrontation through endless arms buildup maneuvers, must be eliminated. It will be good for the Kim Yong-sam puppet clique to correctly realize the grave results that will result from the arms buildup maneuver, and act with discretion.

DPRK: NODONG SINMUN Comments on ROK 'Arms Buildup'

*SK0607042496 Pyongyang KCNA in English
0405 GMT 6 Jul 96*

[*"Arms Buildup Aimed at Invasion of North" — KCNA headline*]

[*FBIS Transcribed Text*] Pyongyang, July 6 (KCNA) — NODONG SINMUN today comments on the arms buildup of the bellicose group of Kim Yong-sam against the North and warns them not to act rashly.

The South Korean puppets plan to allocate 21.8 percent more funds than this year for import or development of many lethal weapons and equipment such as sophisticated rockets, anti-artillery radar systems and unmanned reconnaissance aircraft which are called "latest-type weapons for attack."

The news analyst says:

The reckless arms buildup of the Kim Yong-sam group is a downright challenge to the North, which is making all sincere efforts to remove the political and military confrontation and pave the way for peace and peaceful reunification. It is also an unpardonable crime

threatening the peace of the country and the security of the nation.

We declare once again that their effort to make a showdown with the North by the help of outside forces will never be successful.

It will only harden the will of the Korean people and people's army to deal a thousandfold retaliatory blow at the provocateurs and demonstrate the stamina of chuche Korea.

DPRK: ROK 'Arms Buildup,' 'War Exercises' Denounced

SK0607122596 *Pyongyang Korean Central Broadcasting Network in Korean* 0754 GMT 6 Jul 96

[Unattributed talk: "Reckless Military Moves Aimed at Northward Invasion"]

[FBIS Translated Text] Today the Kim Yong-sam group is frantically running amok with war provocation maneuvers aimed at northward invasion.

The Kim Yong-sam group's war preparation maneuvers have been fully exposed in its arms buildup which is being strengthened each day.

The puppets have recently asked the United States to sell weapons and equipment worth as much as \$200 million, including missiles to be installed on destroyers.

Early this year, the puppets introduced the T-31 anti-submarine patrol aircraft from the United States. The rascals babbled that by introducing eight T-31, which can simultaneously carry out offensive and defensive missions with ultramodern equipment including the sonobuoy, their anti-submarine warfare capabilities have been promoted qualitatively.

The puppets also decided to organize a new fighter brigade in the puppet air force in early December, and are accelerating preparations for this on a full-scale. They decided to complete the plan to drastically reinforce their naval forces, including aircraft carriers and EZ-3 airplanes, ahead of schedule, and to implement the plan starting next year.

Besides, the warmongers are accelerating the production of their weapons and equipment themselves.

For example, they are fanatically running amok to join the Missile Technological Control Regime, which allows the production, possession, and export of missiles.

It is no secret that the puppets are actively accelerating the development of nuclear weapons. In addition to their frenzied arms buildup, the rascals are scheming to allot an enormous amount of money for military expenses.

The Kim Yong-sam group intends to use enormous funds amounting to 14.9 trillion won — a 16.7-percent increase from this year — for military expenses next year. No previous dictator could even conceive of such an amount or scale of expenses. This eloquently shows how frantically the rascals are running amok with war provocation maneuvers.

The Kim Yong-sam puppet clique, engrossed with war frenzy, recklessly uttered powder-reeking gibberish on war [hwayaknae chitun chonjaeng pokon]. A few days ago, the traitorous puppet Kim Yong-sam visited a hill near the Military Demarcation Line [MDL] in the central front line, and raved about the recent situation in North Korea, its moves, and the like. He even ordered the puppet army to assume a perfect alert posture.

The Kim Yong-sam puppet clique designated the DMZ in the MDL as the position for starting an attack [konggyok chulbal chinchihwa hago] and made public a provocative northward aggressive operation plan. Remarks about us made by the Kim Yong-sam puppet clique, which is frantically staging war exercises every day with the U.S. imperialist aggressor troops, are indeed preposterous [ono todan].

Even recently, the puppets frantically staged various war exercises, including field tactical training, combined field training, comprehensive test training, and anti-air raid training, by mobilizing the puppet army units.

The warmongers openly raved that their war exercises were aimed at fostering action-centered conditioned reflex-oriented combat execution capabilities, as well as special surprise attack capabilities, under an offensive operational concept [kongsechok chakchon kaenyomhae haengdong wijuui chokon pansachok chontu suhaeng nungryokkwa kisup tukkong nungryok], and at providing a system of converting them to basic missions in times of emergency.

This clearly proves that the military exercises they are staging are, all in all, playing with fire of a northward war of aggression with the thoroughgoing purpose of mastering and completing combat action methods aimed at launching a preemptive surprise attack on the northern half of the republic according to their existing northward offensive operational plan.

By going against the people's aspirations for the nation's peaceful reunification, the puppets are running amok with arms buildup and war exercise commotions more frantically than ever before to ignite the fuse of fratricidal war. This is a premeditated and preplanned provocative act of artificially aggravating tensions on the Korean peninsula.

The traitor Kim Yong-sam is adhering to reckless war commotions in a bid to seek a way out of the crisis facing him by provoking a northward war of aggression.

The traitor Kim Yong-sam is attempting to drive fellow countrymen into nuclear war calamities for the sake of his own wealth, prosperity, and ambition for power, in disregard of destiny of the nation and people. The Kim Yong-sam group is indeed a group of matchless warmongers and national traitors.

As long as such a warmonger as the traitor Kim Yong-sam exists, the nation cannot be peaceful, not even for a day. The South Korean people should unanimously rise in the struggle to sweep away the Kim Yong-sam puppet clique, a group of nation-selling traitors.

DPRK Paper Criticizes Kim Yong-sam Remarks at Front Line

*SK0707071696 Pyongyang KCNA in English
0712 GMT 7 Jul 96*

[FBIS Transcribed Text] Pyongyang, July 7 (KCNA) — During his recent inspection trip to a South Korean puppet army unit near the Military Demarcation Line (MDL), the traitor Kim Yong-sam spoke highly of the U.S. forces present in South Korea and arms buildup and said, "if the bombing of Manchuria had been carried out, as MacArthur planned, Korean unification might have already been achieved."

Commenting on his remarks, NODONG SINMUN today says he fully revealed again his true colors as a pro-American flunkeyist, a nuclear war servant and a traitor without an equal in the world by praising MacArthur, a warmonger and nuclear fanatic, and defending his reckless plan to expand the Korean war to China.

The daily says:

His clamour for "unification of the country by force of arms" indicated that he wanted to invade the North and unify the country with the backing of outsiders and, furthermore, plunge other nations into a nuclear holocaust.

His bellicose utterances clearly prove that his crying for "four-way talks" and "resumption of dialogue" is only aimed at covering up his sinister intention of winning time and slaying the fellow countrymen in the North in league with outside forces.

The traitor Kim Yong-sam, who supports MacArthur's plan, is destined to meet such a disgraceful doom as his.

DPRK: Epic on Kim Chong-il's Mourning for Three Years

*SK0707075096 Pyongyang Korean Central
Broadcasting Network in Korean 0500 GMT 7 Jul 96*

["Epic" by Kim Man-yong, dedicated to the Workers Party of Korea on the second anniversary of Kim Il-song's death: "Pyongyang Time Goes on Nonstop"]

[FBIS Summary] Our leader [urisuryongnim] was born in Pyongyang, lived here until the last moments of his life, and lies in eternal state here in Pyongyang. He loved Pyongyang throughout his life, and our general has ensured that the leader [suryongnim] remains in eternal state in Pyongyang.

Two years have passed since he died. Only one person cherished sorrow in his heart when all of us were sleeping and resting. He is our leader [yongdoja], Comrade Kim Chong-il.

"We saw the great leader [widaehan yongdoja] Comrade Kim Chong-il winding the spring of moral obligation, loyalty, and morality, which will be ticking eternally for 100 or 1,000 years.

"We saw the appearance of the great man, who delayed the enthronement which the people want and which the world is waiting for; who stated he could not take off his mourning attire for three years; and who created a noble communist outlook on morality and loyalty for the first time in history on top of hereditary customs [urinun boassora inmini parago segyega kidarinun kuchudaerul mirusigo samnyongan sangbogul bossulsuoptago hasimyo chosangchollaeci kwansubwie isesang chom kongsanjuuijai sunggohan todoguirigwanul changjohasin widaehan inganui kumosubul].

"How can the (?sorrow of the heart disappear) in 30, 300, or 3,000 years?

"From the sound of his walking up the marble stairs leading to the Kumsusan Memorial Palace after solemnly declaring the eternal life of the leader [suryongnim], we heard the sound of the unwinding of the spring of Pyongyang time, which stopped at the same time the leader's [suryongnim] heart stopped; the sound of the time of the fatherland; and the sound of the vigorous flow of the leader's [suryongnim] great history."

The people hear the leader's [suryongnim] footsteps in his [Kim Chong-il] footsteps, and they hear the leader's [suryongnim] voice in his voice. They also see the bright future of the prosperous fatherland.

The world has its end. However, the songs for our leader [suryongnim] and the songs for our general have no end.

**DPRK: Poem 'Stresses' Kim Chong-il 'Just Like'
Kim Il-sung**

SK0707072996 *Pyongyang KCNA in English*
0725 GMT 7 Jul 96

[FBIS Transcribed Text] Pyongyang, July 7 (KCNA) — The epic "May Monument to Reunification Autograph Shine Long" was dedicated to the great leader President Kim Il-sung, who devoted his whole life to the reunification of the country, on the occasion of the second anniversary of his death.

The poem written by O Son-hak says the reunification of the country to which President Kim Il-sung devoted his whole life will surely be achieved under the wise leadership of the great leader Comrade Kim Chong-il.

It notes that President Kim Il-sung, above 80, had made tireless efforts for the nation until he passed away in his office and left his last autograph "Kim Il-sung July 7, 1994" in a document concerning national reunification.

The autograph mirrors his great patriotic intention, his long history of patriotism and what a reunified country is like.

It also says the reunification was his most important mission and the greatest pleasure. He dedicated all his thought and life to the cause of national reunification, it says.

The poem recalls that the president put forward the three principles and five-point policy of national reunification, the proposal for confederation, 10-point programme of the great unity of the whole nation and many other fair and aboveboard proposals to clearly indicate a shortcut to the independent reunification of the country.

He always worried himself about the fellow countrymen in the south, sincerely rejoiced at their successful struggle and cordially received patriotic-minded people from the south, it says.

The poem also says President Kim Il-sung and Comrade Kim Chong-il always worked together for the country's reunification.

President Kim Il-sung discussed the destiny of the nation and the prospect of reunification always with Comrade Kim Chong-il and what they talked through telephone was also about reunification, the poem says.

It notes that Comrade Kim Chong-il, in the deepest grief over the death of the president, comforted his soldiers and encouraged them to reunify the country, true to his behests.

He, who sent large quantities of relief goods to the South Korean compatriots when South Korea was hit by floods, and arranged an August 15 grand reunification

festival and a great national conference, is, indeed, the father of the 70 million people and the lodestar and sun of national reunification just like President Kim Il-sung, it stresses.

The poem points out that though the monument to the autograph written by the president on July 7, 1994, was erected at Panmunjom, it will shine brighter at the Plaza of Reunification in the future and Generalissimo Kim Il-sung will be immortal along with his last autograph and with a reunified country.

**DPRK: Kim Chong-il at Memorial Service
Marking Kim Il-sung Death**

SK0807015996 *Pyongyang KCNA in English*
0153 GMT 8 Jul 96

[FBIS Transcribed Text] Pyongyang, July 8 (KCNA) — A solemn national memorial service was held here today to commemorate the Great Leader President Kim Il-sung's second death anniversary.

Present there together with senior party and state officials was the Great Leader Comrade Kim Chong-il, chairman of the National Defence Commission of the Democratic People's Republic of Korea and supreme commander of the Korean People's Army.

Attending the memorial service were tens of thousands of Pyongyangites from all walks of life, KPA officers and men and overseas Koreans.

Those present at the memorial service observed a moment's silence with the deepest reverence in memory of President Kim Il-sung, who devoted his all to the country, the people, the accomplishment of the revolutionary cause of chuche and the global independence during his 80 odd year-long life.

Choe Tae-pok, alternate Politburo member and secretary of the WPK Central Committee (C.C.), made an address at the service upon the authorization of Comrade Kim Chong-il.

KPA Vice Marshal Kim Kwang-chin spoke on behalf of the KPA officers and men, chairman of the C.C., the General Federation of Trade Unions of Korea Chu Song-il on behalf of the working class and first secretary of the C.C., The Kim Il-sung Socialist Youth League Choe Yong-hae on behalf of the youth and students.

Set up in the plaza before the Kumsusan Memorial Palace, the venue of the memorial service, were large slogan-boards reading: "Let us hold in high esteem the Great Leader Comrade Kim Il-sung for all ages!" "Let us accomplish the revolutionary cause of chuche, true to the last teachings of the Great Leader Comrade Kim Il-sung!" "Let us be faithful to the leadership of the

respected Supreme Commander Comrade Kim Chong-il as desired by the great leader Comrade Kim Il-song in his lifetime!" etc.

DPRK: Choe Kwang, Military Leaders Mark Kim Il-song's Death

SK0607040496 *Pyongyang KCNA in English*
0357 GMT 6 Jul 96

[FBIS Transcribed Text] Pyongyang, July 6 (KCNA) — A symposium of the Ministry of the People's Armed Forces was held here on July 4 to vow to discharge the mission and duty as soldiers and disciples of the Great Leader President Kim Il-song on his second death anniversary.

Among those present at the symposium were Choe Kwang, Politburo member of the Central Committee of the Workers' Party of Korea and minister of the People's Armed Forces; Cho Myong-nok, director of the General Political Department of the Korean People's Army; and Kim Kwang-chin, first vice-minister of the People's Armed Forces.

It was said at the symposium that President Kim Il-song is the father of socialist Korea, the sun of chuche who opened a new era of independence, and a tender-hearted father of the people who provided the Korean people with the most worthwhile life and happiness, believing in the people as in heaven all his life.

The speakers highlighted the need to thoroughly guarantee the purity of the feats of the president in army building as well as their eternal vitality as valuable revolutionary wealth for the accomplishment of the cause of army building.

They stressed that to implement his teachings is a sure guarantee for strengthening the People's Army into revolutionary armed forces of chuche forever.

All the officials and servicemen should uphold the leadership of the respected supreme commander Comrade Kim Chong-il with a single heart of loyalty and filial piety and stubbornly fight for the reunification of the country and the accomplishment of the revolutionary cause of chuche, rallied closer around him, they added.

DPRK: Choe Tae-pok Addresses Kim Il-song Memorial Meeting

SK0607085996 *Pyongyang Korean Central Broadcasting Network in Korean* 0210 GMT 8 Jul 96

[Memorial speech by Choe Tae-pok, alternate member of the Workers Party of Korea Central Committee and secretary of the party Central Committee, at the central memorial service commemorating the second

anniversary of the death of Kim Il-song at the Kumsusan Memorial Palace — described as live by source]

[FBIS Translated Text] Comrades. Today, on the occasion of the second anniversary of the death of the great leader [widaehan suryong] Comrade Kim Il-song, we are wrapped up in boundless admiration toward the fatherly leader [oboi suryongnim] along with all the people of the entire country.

The great leader [widaehan suryong] Comrade Kim Il-song passed away suddenly after carrying out energetic activities for the fatherland and the people as well as for the victory of the chuche revolutionary cause for some 80 years. This was the first great state funeral in the 5,000-year history of our nation, and the greatest sadness for our people and the world's progressive people.

On the occasion of the second anniversary of the death of the great leader [widaehan suryong] Comrade Kim Il-song, the entire party, the entire army, and all the people commemorate the leader [suryongnim] with the most humble reverence. At this time, upon authorization of the great leader [widaehan yongdoja] Comrade Kim Chong-il, who is chairman of the DPRK National Defense Commission and supreme commander of the Korean People's Army, I am going to make a memorial speech at the central memorial service.

At this resolute place commemorating the fatherly leader [oboi suryongnim], I am paying the greatest respect by upholding the great leader [widaehan suryong] Comrade Kim Il-song, filled with all the people's enthusiastic loyalty to admire the leader [suryongnim], and am praying for the leader's [suryongnim] eternity.

After the death of the fatherly leader [oboi suryongnim], the past two years emotionally showed that our faith that the great leader [widaehan suryong] Comrade Kim Il-song is eternally with us has been unyieldingly rooted in the minds of all our people, and that people's loyalty and filial piety to highly uphold and follow the leader [suryongnim] for tens of thousands of years by yearning for him is becoming all the warmer with each passing day and year.

Even though the heart of the great leader [widaehan suryong] Comrade Kim Il-song stopped beating, the fatherly leader [oboi suryongnim] lives eternally, looking as he did when he was alive, at the Kumsusan Memorial Palace, which is a great sacred place of the revolution, and is with our people and the world's progressive people.

The great leader [widaehan suryong] Comrade Kim Il-song is the supreme brain of the complete unity of the leader [suryong], the party, and the masses, and

a symbol of the victory of the world's revolutionary people who fight for man's independent cause by highly upholding the banner of the *chuche* idea. He will continue to be with us eternally in the future as in the past.

The great leader [*widaehan suryong*] Comrade Kim Il-song is the founder of socialist Korea, a man who devoted his entire life for the country's independence and for the people's freedom and happiness; who found the fatherland which was lost to our people; who opened a new era of socialism centered on man on this land; and who changed our country into a strong independent, self-dependent, and self-reliant socialist country.

The great leader [*widaehan suryong*] Comrade Kim Il-song founded the immortal *chuche* idea; brilliantly elucidated the victorious course of the Korean revolution, which was arduous and filled with trials, through its brilliant ray; and endlessly elucidated the history of modern Korea through outstanding and refined leadership.

Thanks to the excellent ideology and extraordinary leadership of the great leader Comrade Kim Il-song, our people have been able to honorably defend and add luster to our country's sovereignty and dignity with the *chuche*-oriented party and the state and the invincible revolutionary armed forces. Also, our people have become a dignified and happy people who built the firm political and ideological foundation on which our party and the revolution can victoriously advance forever and who quite outstandingly solved the issue of inheriting the leadership.

The proud history of our revolution, all glory and honor of socialist Korea, and the happiness that our people are enjoying are closely linked with the revered name of the great leader Comrade Kim Il-song and are a noble fruition of the leader's [*suryongnim*] extraordinary and tested leadership.

The respected and beloved leader Comrade Kim Il-song is not only the great leader [*suryong*] whom our people have greeted and held in high esteem for the first time in their 5,000-year history, but is also a senior statesman of the world's political circles—who opened the new beginning of the era of independence for the first time in the history of mankind and who has built a tower of the most brilliant exploits in the chronicle of the 20th century—and the sun of *chuche* that the people of the world respect.

Throughout the period of his revolutionary activities, the great leader Comrade Kim Il-song struggled, devoting his all to the freedom and liberation of the working class and the oppressed working masses of the world and to the victory of the destiny of socialism of the

world and its cause for independence, and holding aloft the banner of independence, the banner of the anti-imperialist struggle.

The great leader's [*suryongnim*] immortal achievements for the popular masses' cause for independence, the cause for socialism, are brilliantly shining as the greatest exploits in the long history of mankind and in the history of communist movement.

The history of the great leader Comrade Kim Il-song's glorious and brilliant revolution is precisely the history of the Korean revolution. It is also the most precious asset of the progressive mankind. Because they have enjoyed the genuine dignity and happiness of a human being amid the bosom of the leader [*suryongnim*] for the long period of nearly 70 years, upholding this great and prominent leader [*suryong*] at the forefront, our people have not forgotten the fatherly leader's [*suryongnim*] immortal achievements and virtues even for a moment; they are thinking of the leader with one fervent mind of upholding and following the great leader Comrade Kim Il-song as the eternal leader [*suryong*] and are looking for his benevolent bosom day and night.

Indeed, all of our people are the leader's [*suryongnim*] disciples, sons, and daughters who have grown up in the bosom of the great leader [*suryongnim*]. Also, they are the leader's eternal family members who cannot live even for a moment apart from his bosom.

The glorious whole life of the great leader Comrade Kim Il-song was the noble life of the greatest man in the world that is unprecedented in history.

History has witnessed many great men who have left their names behind due to their prominent character and ability. However, there has been no great man like the great leader Comrade Kim Il-song who thoroughly had all the character and ability a great man can possess.

All features of the great leader Comrade Kim Il-song as a great man—his noble character and infinite humane personality that charm and attract people, his deep generosity and capacious mind, his farsighted wisdom, his extraordinary military wisdom [*chiryak*], and his ever-victorious military command art ability—will be cherished precious in people's minds and handed down generation after generation.

The respected and beloved [*kyongachanun*] Comrade Kim Il-song highly upheld the red flag throughout his life, and plowed through the arduous trials of the revolution and hills of hardships for the independence and dignity of mankind. Thus, he victoriously pioneered the course of struggle. He was a great revolutionary, a great man, and a true people-oriented leader [*suryong*].

The great leader [widaehan suryong] Comrade Kim Il-song experienced all hardships and sufferings as a man and revolutionary and overcame all kinds of difficulties and trials in his revolutionary life, which is a history of the arduous march in which he plowed through the arduous storm of the revolution at the forefront.

On this road of arduous struggle, the great leader [widaehan suryong] Comrade Kim Il-song knew nothing about disappointment or pessimism; possessed the great character of a communist revolutionary—being optimistic about the future looking ahead into the revolution of today as well as the future; and changed misfortune into fortune and an adverse situation into a favorable one.

Indeed, the great leader [widaehan suryong] Comrade Kim Il-song spent his entire life amid the fierce confrontation with strong imperialist enemies. However, he was an iron-willed commander who engraved only victory in all fights; an eternal legendary hero; and a veteran of many battles.

The great leader [widaehan suryong] Comrade Kim Il-song was a great sacred man of the revolution before he became an outstanding politician. Before he became the head of state, he was a benevolent father and friendly comrade of the people.

The love and benevolence bestowed to our people by the great leader [widaehan suryong] Comrade Kim Il-song could not be found anywhere in this world. It was the most devoted, active, and enthusiastic love and benevolence.

The great leader [widaehan suryong] Comrade Kim Il-song said that the truth must be regarded as the favorite maxim of life and struggle that the people who carry out the revolution will be victorious if they always have faith in people and rely on the people, but they will be defeated every time if they are abandoned by the people. He lived with the people throughout his life and regarded sharing happiness and pains with the people as the greatest pleasure and happiness.

He said that if it is the road for the people, we must go there even if we have to go to the end of the heaven and earth. And he ceaselessly gave on-the-spot guidances. He was pleased to walk along farm fields even on his birthday regarding it as his respite and holiday. This very person was our great leader [widaehan suryongnim].

Even until the last moment of his noble life, the great leader [widaehan suryong] Comrade Kim Il-song devoted all his energy to the fatherland's reunification, grandeur and prosperity, and people's happiness. In these historic days that cannot be forgotten, he warmly

taught: Up until now, I struggled for the people by having faith in the people and lived among the people. My life was a life devoted to the fatherland and the nation and a life that I struggled together with the people. I will continue to be with our people forever.

From early on, the great leader [widaehan suryong] Comrade Kim Il-song who received the wholehearted respect and love of the people and the comrades and as an enthusiast and a man of affection, regarded the revolutionary comradely love as the most precious element, started the revolution through acquiring a comrade, and victoriously led the long course of the Korean revolution based on lofty comradely love and integrity.

The great leader [widaehan suryong] Comrade Kim Il-song, who missed the comrades and soldiers who died along the road of the revolution, and who had the warm love and benevolence of a real father toward them and their bereaved children, during his lifetime set aside Chujakpong Ridge in Taesongsan near his office as the site for the Revolutionary Martyrs' Cemetery. When he missed the soldiers who died in the sacred anti-Japanese war, he always looked at the Revolutionary Martyrs' Cemetery and recollected them. Today, at the Kumsusan Memorial Palace, which is adjacent to the Revolutionary Martyrs' Cemetery, he leads an eternal life under the escort of the anti-Japanese revolutionary fighters.

The great leader [widaehan suryong] Comrade Kim Il-song was an infinitely noble and ingenuous person who lived like an ordinary person among the working people, including the workers and peasants. Although the great leader [widaehan suryongnim] ruled the country and had absolute authority with his outstanding ideology, leadership, and noble moral influence, he did not desire the slightest special benefit or privilege during his life. When the people ate hulled millet, he ate hulled millet, sharing hardships with them. Even as regards problems he could decide and dispose of himself, he always first consulted with the party Central Committee before implementing them.

This noble disposition of the great leader [widaehan suryongnim] boundlessly moves all our hearts, being the supreme example which all those who are engaged in the revolution should learn and follow throughout their lives.

The great leader [widaehan suryong] Comrade Kim Il-song, who planned a more resplendent future for the country until the final moment of his great life, despite the fact that he was in his eighties, giving good finishing touches to the work of all sectors, and who died at his post while carrying out his state affairs, was a peerless great man whom the world can hardly witness in a

century, a man who was born for the sacred cause of the people and who devoted all his life, body, and soul to the happiness of the people and the prosperity of generations to come.

The last two years in which we cherished the memory of the great leader [widaehan suryongnim], with the reverence that becomes warmer with the passage of time, was two years of struggle and two years of advance in which all the people turned the greatest sorrow into strength and courage as well as advanced more vigorously the chuche revolutionary cause which the fatherly leader pioneered.

The great leader [widaehan yongdoja] of our party and people Comrade Kim Chong-il was at the head of the party, the Army, and the people during this difficult period of time, and led the noble cause of wisely inheriting the great leader's [widaehan suryongnimui] ideology and achievements without the slightest deviation. At the same time, our entire party membership, entire Army, and all our people firmly united around the respected and beloved comrade supreme commander and have upheld the general's leadership.

In our country, a high degree of political stability has been firmly maintained as it was in the past, and the revolution has developed under the guidance of chuche, continuously and without deviation.

The history of the world's socialist movement has not known such an instance as that in our country where, during the a transitional time of the leadership succession, the lineage of the party and the revolution has been purely inherited and the work of consistently advancing the revolution has been carried on so profoundly and perfectly [chigumkaji segye sahoejuui undong yoksaun, urinaasowagachi yongdoui taerul iyonanagun chonhwanchogin sigie, tangwa hyongmyongui hyoltongul sungyorhage kyesunhago hyongmyongul ilgwansong itke chonjinsikun saobi kuchorom simdoitko wanbyokhage chinhaengdoen yerul alji mothago issumaida].

This is the brilliant fruition of the great leadership of the respected and beloved Comrade Kim Chong-il, who long ago excellently resolved in our country, and in our own way, the important work of inheriting the chuche cause over the generations by wisely leading party building, army building, and overall socialist construction at the van of the entire party.

Through practical experience, our people more keenly realized the great good fortune and profound historic significance for the future of our revolution and our offspring to hold in high esteem the respected and beloved Comrade Kim Chong-il as the great successor to the

chuche revolutionary cause as well as the sagacious leader [yongmyonghan yongdoja] of our party and people. The respected and beloved Comrade Kim Chong-il is endlessly loyal to the leader [suryong], who founded the origins of the revolution, and to his cause, and most brilliantly embodies the leader's [suryong] ideas and leadership, always in firm unity with the people and with one mind.

For the past two years, under the difficult circumstances in which the surrounding situation has been complex and the anti- Republic maneuvers of the allied forces of the world imperialists have been strengthened, the respected and beloved Comrade Kim Chong-il victoriously opened the road of the chuche cause with an invincible strong will and with a refined and outstanding strategy and tactics. He devoted all his efforts and energy to the sacred work of purely inheriting the leader's [suryongnim] ideas and cause by upholding the great leader [suryongnim] just as in his lifetime.

The respected and beloved Comrade Kim Chong-il saw to it that the Kumsusan Memorial Palace was built and the great leader Comrade Kim Il-song respectfully upheld in state in this historic holy site where the great leader Comrade Kim Il-song stayed until the last moments of his life, leading the work of the party and the state, thus making an immortal contribution to our revolution and to the cause of world independence. This is the highest essence of sincerity dedicated by the respected and beloved Comrade Kim Chong-il to the fatherly leader, reflecting the unanimous aspirations and ardent desire of our entire party, entire army, and all the people. This is the greatest historic achievement made by the respected and beloved Comrade Kim Chong-il before time and mankind.

Today, the revolutionaries and progressive people of the world unanimously praise Comrade Kim Chong-il as the creator of revolutionary ethics and the morality of our era, as well as the highest paragon, and extend boundless appreciation and honor to him. Comrade Kim Chong-il has brilliantly achieved the earnest desire of our people and the aspiration of all mankind to hold in high esteem forever for all generations the great Comrade Kim Il-song, the sun of mankind and a legendary great man, and has created a model of lofty moral outlook for the communists to uphold the leader [suryong] and political ethics.

Today, our revolution confidently advances along the road of chuche socialism by overcoming various challenges by imperialists and reactionaries.

The Korean revolution has embroidered the path of a long arduous struggle for independence, sovereignty, and socialism with the brilliant feats and upsurges of

the century. The entire course of the Korean revolution vigorously proved that the just cause of the people, who unswervingly fight by upholding the great leader [suryong] and the great leader [yongdoja], will be victorious without fail no matter how long the revolutionary path may be and no matter what trials and difficulties may lie ahead.

By cherishing a firm confidence in and optimism for the victory of the revolution, in the future as in the past, we will courageously advance by overcoming all the storms of history, and will brilliantly carry out to the end the *chuche* socialist cause — the revolutionary cause of the great leader Comrade Kim Il-song.

The great leader [yongdoja] Comrade Kim Chong-il has pointed out that when we advance, upholding the red banner of revolution as our revolutionary patriotic martyrs upheld it, for generation after generation, only then can we achieve the victory of the socialist cause — the cause of the popular masses for independence.

Upholding the red flag that bears the great leader [suryong] Comrade Kim Il-song's life and our party's braveness and will, we should purely succeed the *chuche* blood line of our revolution and build the party, army, economy, and culture only in the style of Comrade Kim Il-song. By doing so, we should brilliantly advance along the reality the fatherly leader [suryongnim] designed and intended while he was alive.

All party members and people, and People's Army officers and men, should always remember the heartfelt pledges they swore with bitter tears in their eyes before the bier of the fatherly leader [suryongnim], and should become genuine fighters who uphold the great Comrade Kim Il-song as the eternal leader [suryong] of our party and revolution all the time, and who firmly defend and glorify the immortal revolutionary ideas and achievements of the leader through the generations.

To uphold the leadership of the respected and beloved Comrade Kim Chong-il [kyongachanun kimjongil tongji] is a basic guarantee for firmly defending and glorifying the *chuche* socialist cause by thoroughly implementing the great leader's [suryongnim] behest. The respected and beloved Comrade Kim Chong-il is the destiny of our revolution and socialism, as well as the banner of victory.

All party members, people, and People's Army officers and men will not be afraid of any strong enemy or difficulty, as they were not in the past, because the great leader [yongdoja] leads them at the head. Bearing their boldness and firm faith that the *chuche* socialist cause will triumph without fail, they should absolutely trust and follow only the respected and beloved Comrade

Kim Chong-il with single-minded devotion, both in peace and during days of severe trials. They should also stoutly walk along the long path of revolution under the leadership of the party Central Committee, with Comrade Kim Chong-il as its center.

All party members, people, and People's Army officers and men should uphold the slogan "Let us defend the nerve center of the revolution headed by the great Comrade Kim Chong-il [widaehan kimjongil tongjirul subanuro hanun hyongmyongui sunoebu] to the death, following the spirit of death-defyingly protecting the leader [suryong] as shown by the anti-Japanese Seventh Regiment, which fought for great Comrade Kim Il-song, turning itself into human bombs." Upholding this slogan, they should resolutely defend and protect the respected and beloved comrade supreme commander politically, ideologically, and desperately, and should become genuine servants, guns, and bombs that are loyal to the last to the general's ideas and leadership.

Purely inheriting the tradition of single-hearted unity around the leader [suryong], which has been hardened since it was created in the beginning of the Korean revolution, we should firmly unite ourselves around the great leader [yongdoja] Comrade Kim Chong-il and vigorously accelerate the *chuche* socialist cause, the cause of our party, with the invincible strength of unity.

When he was alive, the great leader [suryong] Comrade Kim Il-song clearly and generally elucidated revolutionary theories, strategies, and tactics for the victorious advance of our revolution, as well as tasks and methods to be adhered to by all sectors and units. All functionaries, party members, and working people should firmly establish the revolutionary trait to historically and systematically study and to thoroughly implement the teachings left by the great leader [suryong] Comrade Kim Il-song for each sector and unit so that they can make a practical contribution to the growth and prosperity of our country, our fatherland.

Today's struggle for socialism engaged by our people is difficult and arduous, but the prospects for the struggle are optimistic; the overall situation is developing favorably for our revolution. Even though our revolution faces more trials and obstacles, we should actively overcome these trials and obstacles with revolutionary optimism and the braveness of communist revolutionaries so as to effect decisive progress in implementing the party's revolutionary economic strategies, highly displaying the spirit of the arduous march and the revolutionary spirit of self-reliance and fortitude in accordance with the intent of the party urging us to live today for tomorrow.

All party members, people, and People's Army officers and men should maintain a keyed-up and mobilized posture [kinjangdoego tongwondoen taese] to cope with the prevailing acute situation; if the enemy invokes a war in our country, the people should become one in body and spirit to punish it at a blow, and should firmly protect the gains of the fatherland and the revolution.

All party members and people should fight even more stoutly to hasten the achievement of the cause of the fatherland's reunification, to which the great leader [suryongnim] devoted all his energy throughout his life, in order to make vigorous progress in the world socialist movement and the cause of independence.

Though the great leader [suryong] Comrade Kim Il-song died, being preciousely held by our people as the esteemed name of the sun and as the image of their own parents, the leader's sublime and esteemed name, as well as his benevolent image, will lead us to eternal victory and happiness, and the revolutionary cause of our people, who advance while upholding the banner of the invincible chuche idea and the banner of the ever-victorious Workers Party of Korea under the leadership of respected and beloved Supreme Commander Comrade Kim Chong-il, will always be invincible.

DPRK Papers Observe 2d Anniversary of Kim Il-song's Death

SK0807044296 *Pyongyang KCNA in English*
0429 GMT 8 Jul 96

[FBIS Transcribed Text] Pyongyang, July 8 (KCNA) — The newspapers here today give much space to articles and pictures on the second anniversary of the great leader President Kim Il-song.

NODONG SINMUN carries an editorial entitled "Let Us Carry Forward the Cause of the Great Comrade Kim Il-song Under the Party's Leadership" and MINJU CHOSON an editorial titled "Let Us Hold the Great Leader Comrade Kim Il-song in High Esteem as the Eternal Sun of Chuche".

Under the bannerline title "The Great Leader Comrade Kim Il-song Will Always Be With Us", NODONG SINMUN carries pictures of President Kim Il-song among working people. Among them is a picture of the president saluting the enthusiastically cheering masses (in September 1978).

MINJU CHOSON carries a picture of President Kim Il-song beaming with a smile and an article entitled "The Eternal Sun of Chuche".

It is reported in the press that on the death anniversary of President Kim Il-song, floral baskets came to his

statue on Mansu Hill from the Palestinian president and party leaders of different countries, and working people, servicemen, youth and students and overseas compatriots of Korea and foreign visitors laid floral baskets, bouquets and flowers before the statue. A floral basket in the name of the Central Committee of the National Democratic Front of South Korea (NDFSK) [SKNDF] was also laid before the statue, says the press.

Seen in the press are telegrams the great leader Comrade Kim Chong-il received from party leaders of different countries and letters from the NDFSK Central Committee and the Central Standing Committee of the General Association of Korean Residents in Japan and a report that he received a letter from the foreign military attaches' corps in Korea.

Under "We Will Uphold the Respected Leader Comrade Kim Il-song For All Ages", "The Great Leader Comrade Kim Il-song Is Always Alive in the Hearts of Humankind", "We Will Accomplish the Cause of Chuche Under the Leadership of the Respected General Kim Chong-il" and other headlines, papers carry articles and words of home and foreign people praising the greatness of President Kim Il-song.

Carried in NODONG SINMUN are an article telling that the Kumsusan Memorial Palace where President Kim Il-song is preserved in state is the supreme culmination of Comrade Kim Chong-il's noble view of morality, and words of foreigners praising it.

The press informs the readers that the April 15 Fellowship Society in South Korea published an action programme for commemorating the second anniversary of President Kim Il-song and the literature and art press group of Korea brought out the book "Natural Wonders".

DPRK Dailies Urge Carrying Forward Kim Il-song's Cause

SK0807085596 *Pyongyang KCNA in English*
0832 GMT 8 Jul 96

["NODONG SINMUN Calls For Carrying Forward President Kim Il-song's Cause" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, July 8 (KCNA) — Pyongyang-based papers today observe the death anniversary of the great leader President Kim Il-song, July 8.

NODONG SINMUN devotes the whole of frontpage853 GMT to an editorial headlined "Let Us Carry Forward the Cause of the Great Comrade Kim Il-song Under the Party's Leadership" on the occasion of this supreme memorial day of the nation.

The editorial says that over the past two years after his death, his cause has been steadfastly defended and triumphantly promoted under the wise guidance of the great leader Comrade Kim Chong-il.

It quotes Comrade Kim Chong-il as saying:

"Under the leadership of the party, our people are working with redoubled efforts to win fresh victories, true to the behests of their fatherly leader Comrade Kim Il-song."

The editorial notes:

Comrade Kim Il-song's lifelong ideal was a chuche-based one for making the masses of the people independent. And his cause is an invincible one which has been successfully advanced by the inexhaustible strength of the masses.

His cause has become the cause of the masses and our people have prepared themselves to be the powerful driving force of the revolution.

His cause is also a promising cause which is making a long drive on the basis of the solid foundations of the revolution.

Under his wise leadership a chuche-type revolutionary party which organizes and guides all the victory, invincible revolutionary armed forces capable of defeating any formidable enemy and a powerful independent national economy were built.

The revolutionary cause of chuche, to which the respected leader Comrade Kim Il-song devoted his whole life, has been successfully carried forward by Comrade Kim Chong-il, the editorial says, and continues:

The late history of Comrade Kim Il-song's activities for accomplishing the cause of chuche corresponded with the 30-odd-year-long history of the respected General Kim Chong-il's leadership.

Now our people are firmly convinced that Comrade Kim Chong-il is the living image of Comrade Kim Il-song and the cause of the two leaders is the same.

One's attitude towards the cause of the leader depends on one's morality and obligation for him.

It is the invariable will of Comrade Kim Chong-il to venerate Comrade Kim Il-song, the supreme representative of revolutionary forerunners, with a stronger sense of obligation than in his lifetime.

Comrade Kim Chong-il is an outstanding leader who, with extraordinary ability and quality, has guided all the party, army and people to accomplish the cause started by Comrade Kim Il-song.

His on-the-spot guidance is based on unfailing loyalty and devotion to the revolutionary cause of Comrade Kim Il-song and tireless efforts for its completion.

Over the past two years all the difficulties have been overcome in the revolution and the might of our socialist country has been fully demonstrated by his matchless grit and iron will.

What is the most important in defending and carrying forward the revolutionary cause is that the whole party, the entire army and all the people remain faithful to the leadership of Comrade Kim Chong-il.

The party members, servicemen and all other people should defend the headquarters of the revolution headed by Comrade Kim Chong-il politically and ideologically and at the cost of their lives and ensure his absolute prestige in every way.

We will continue the historic advance towards the completion of the revolutionary cause of chuche so as to live a worthwhile life befitting eternal soldiers and disciples of Comrade Kim Il-song.

The victory of our revolution is definite because Comrade Kim Chong-il leads it and our people, in perfect harmony with Comrade Kim Il-song, have wealth of eternal value provided by him.

Our party and people will surely win the final victory of the chuche revolutionary cause, associated with lifelong efforts of Comrade Kim Il-song, under the leadership of Comrade Kim Chong-il.

The daily MINJU CHOSON carries an editorial headlined "Let Us Hold the Great Leader Comrade Kim Il-song in High Esteem as the Eternal Sun of Chuche."

DPRK: Glorification of WPK Leadership Urged
SK0707032196 Pyongyang MINJU CHOSON
in Korean 19 Jun 96 p 1

[Editorial: "Let Us Further Glorify the Party's Achievements in Leadership"]

[FBIS Translated Text] Our party's wise leadership is our revolution's lifeline which advances the socialist cause along the single road of victory. Our party has brought about immortal, great achievements before the era, the revolution, the fatherland, and the people in the proud course of advancing our revolution along the single road of victory and honor amid unprecedentedly arduous and complex trials. Those achievements have become a cornerstone for the ages that powerfully advances the socialist cause and completes it to the end.

Maintaining our party's achievements in leadership and glorifying them endlessly is a boundlessly noble duty

and the most important task for us, who are hastening the vigorous march for victory in the socialist cause.

The great leader [widaehan yongdoja] Comrade Kim Chong-il has pointed out:

"The revolutionary cause cultivated by the great leader [widaehan suryongnim] is being inherited and completed gloriously. Our party's achievements are resources for completing the chuche revolutionary cause generation after generation to the end."

Our party's achievements in leadership are great achievements that the great leader [widaehan yongdoja] Comrade Kim Chong-il has brought about in maintaining the respected and beloved leader's [kyongaeahanun suryongnim] revolutionary achievements and developing them as required by the era and the revolution. The respected and beloved Comrade Kim Chong-il [kyongaeahanun kimchongil tongji] has deepened and developed the chuche idea into a great guiding idea of the era of independence. He has embodied it in political, economic, cultural, and military areas, and in all other areas in revolution and construction through his energetic ideological and theoretical activities. In this way, he has provided valuable resources for completing the socialist cause. He has also achieved single-hearted unity among the leader [suryong], the party, and the masses; boundlessly strengthened the independent main forces of the revolution; and thus provided an ever-lasting asset for a revolutionary victory.

Glorifying our party's achievements in leadership is a principled question raised in defending and guaranteeing by all means the authority and prestige of the party and the leader [suryong]. It is also an indispensable requirement for inheriting and completing the revolutionary cause to the end.

The authority and prestige of the party and the leader [suryong] are guaranteed by the achievements which the party and the leader [suryong] have brought about while leading revolution and construction. How the authority and prestige of the party and the leader [suryong] is guaranteed is an important issue related to the destiny of the revolution. Only when the authority and prestige of the party and the leader [suryong] are firmly guaranteed can the unitary leadership of the party and the leader [suryong] be established, and all people's single-hearted unity around the party and the leader [suryong] be achieved in the course of glorifying the party's leadership achievements. If the party's achievements in leadership are not glorified, the authority and prestige of the party and the leader [suryong] will be damaged, and eventually the revolutionary accomplishments won with blood will be lost. Only when the party's achievements in leadership are maintained and glorified can the au-

thority and prestige of the party and the leader [suryong] be firmly guaranteed and the chuche-oriented blood line of our revolution inherited firmly, no matter how many generations change hands or how much the environment changes.

Maintaining and glorifying the party's leadership achievements is a very important issue in completing the chuche revolutionary cause to the end by scoring new upsurges in revolution and construction. The popular masses' cause of independence, the socialist cause, is inherited and completed in the course of defending, maintaining, expanding, and developing the leadership achievements which the party and the leader [suryong] have brought about.

How the socialist cause is advanced and completed depends on how the respected and beloved Comrade Kim Chong-il's [kyongaeahanun kimchongil tongji] achievements in leadership are maintained and glorified.

The achievements in leadership which the respected and beloved Comrade Kim Chong-il [kyongaeahanun kimchongil tongji] has brought about are an everlasting asset of the revolution that enables us to march forward along the single road of victory despite trials or storms in the revolutionary struggle to achieve the independence of the popular masses. Only when the party's achievements in leadership are defended, maintained, and glorified can we vigorously advance the socialist cause without the slightest deviation, based on clear objectives and scientific methods. The struggle to glorify the leadership achievements is the worthwhile struggle to complete the socialist cause. Through the struggle to glorify the party's leadership achievements, progress can be made in revolution and construction as the leader [suryong] wished, and great upsurges can be scored in all areas of revolution and construction.

Bearing in mind that the work of defending, maintaining, and glorifying the party's leadership achievements is very important for maintaining the chuche-oriented blood line and the lifeline of the revolution and for victoriously completing the socialist cause, we must positively wage the struggle to glorify the party's achievements in leadership to the end.

Most important in glorifying our party's achievements in leadership is to have a correct view of the leadership achievements of the party and the leader [suryong], and a full understanding of the details of the achievements and their greatness.

Having a correct view of the party's achievements in leadership and deeply studying and fully understanding them is a priority issue in maintaining and glorifying the immortal achievements in leadership which the

respected and beloved Comrade Kim Chong-il [kyongachanun kimchongil tongil] has brought about in the course of leading the chuche revolutionary cause. Only when we have a correct view on our party's achievements in leadership and fully understand the details of the achievements and their greatness, will we have a firm will to positively wage the struggle to maintain and glorify the respected and beloved Comrade Kim Chong-il's [kyongachanun kimchongil tongil] achievements in leadership.

Among the achievements that parties and leaders [suryong] can bring about in leading the revolution, the respected and beloved Comrade Kim Chong-il's [kyongachanun kimchongil tongil] achievements in leadership are the greatest achievements. They are eternal and immortal achievements that enable us to complete the chuche revolutionary cause generation after generation to the end, because he has brought about those achievements for the people and with the people.

All functionaries and workers must bear in mind how great the achievements accomplished by our party are, and how elucidating them has a great effect on advancing socialist cause. They must actively work to intensively study and experience the party's leadership achievements. In particular, they must correctly know what the leadership achievements accomplished by their sectors and units are, and how great and precious those achievements are.

The party's leadership achievements were provided by the respected and beloved [kyongachanun] Comrade Kim Chong-il, who even forgot to eat and remained awake all night long without resting. It is a precious asset achieved only for the fatherland's prosperity and development and our people's happiness. Functionaries and workers must know in detail the party's immortal achievements accomplished in their sectors and units; treasure them as if they were their lives; and devote everything to elucidate the achievements all the more.

Functionaries must first deeply study and experience the content of the leadership achievements of their sectors and units and be well versed in this. Then they must widely explain and propagandize it to the workers, and actively struggle so that they can understand it well and elucidate it.

What is also important in elucidating the party's leadership achievements is resolutely supporting and implementing the theory and policy put forth by the party and leader [suryong].

In essence, the work to elucidate the party's leadership achievements is a struggle to realize the party's intention and plan. The work to resolutely support and implement

the ideology and theory and policy presented by the party and leader [suryong] is indeed the work to adhere to and elucidate the party's leadership achievements.

Functionaries and workers must deeply experience the ideology and theory, the justness and truthfulness of their policy, and the greatness of the party and leader [suryong]. In particular, functionaries and workers must deeply study the ideology, theory, and policy the respected and beloved [kyongachanun] Comrade Kim Chong-il gave to their sectors and units, to make it into their flesh and bones.

This must be thoroughly implemented with an absolute-ness and unconditionality toward the party's line and policy. This is an important guarantee to resolutely support and elucidate the ideology, theory, and policy of the party and leader [suryong].

Functionaries must set up detailed work plans and methods to thoroughly implement the party's line and policy for their sectors and units, and must push ahead in a responsible way to implement that work. Functionaries must deeply study where to put the main strength in implementing the party's line and policy and which forms and ways to use to carry it out so that the work can be carried out methodically.

The work to implement the party's line and policy does not progress only in an environment where conditions and means have been provided, and there can be various difficulties in the process of socialist construction. Therefore, if functionaries and workers are to thoroughly implement the party's line and policy, they must make things that they do not have and find things they are lacking. Also, they must manifest the trait of being a master who fulfills what he does not know by learning it without fail. Functionaries must sum up the circumstances of the work program and reassign the work to thoroughly implement the party's line and policy, and ceaselessly intensify the work so the party's policy can be thoroughly implemented without leaving anything out. Also, during this process there must not be even the slightest deviation.

What is also important in elucidating the party's leadership achievements is to work in accordance with the work system and work method set up by the party and leader [suryong].

The respected and beloved [kyongachanun] Comrade Kim Chong-il intensified and developed the work system and method created by the great leader [widaehan suryongnim]. Therefore, he established a unique our-own-style work system and method in all sectors. This is becoming a precious asset making it possible to suc-

cessfully advance the superiority of the socialist system and socialist construction.

Functionaries must bear in mind with faith that the work system and method established by the respected and beloved [kyongachanun] Comrade Kim Chong-il is indeed the most superior work system and work method and is in conformity with the intrinsic nature of the popular masses' independent cause, and must establish strong rules to follow such work. Even though we plan and assign one work, our functionaries must make it an iron rule that it must progress only through the work system and method established by the party and leader [suryong].

In the party's slogan, "Serving the people!" lies the complete explanation on whom we must work for and how. We must bear in our hearts this party's slogan every time and anywhere; carry out all work aimed at the people; and carry out all work in a bold and broad-minded way by having faith in the people and in conformity with the people's strength. By doing so, the party's leadership achievements must be elucidated in socialist construction.

What is also important in elucidating the party's leadership achievements is for all units that received on-the-spot guidance to show an example in all aspects.

Units that received on-the-spot guidance can be regarded as a place where the party's leadership achievements are concentrated. Functionaries and workers of units that received on-the-spot guidance must make strenuous efforts with high pride and dignity and carry out work even better. First of all, for units worthy of receiving on-the-spot guidance, everything must be organized well, pains must be taken to make sure that these units are an example in all aspects, and the units must manifest high loyalty and a revolutionary spirit of self-reliance and fortitude more than anyone else to implement on-the-spot tasks at the highest level without leaving anything out.

The leadership achievements accomplished by our party are a great immortal achievement accomplished amid all kinds of trials and difficulties. The work to elucidate the party's leadership achievements is a sacred work to highly manifest the superiority of socialism of our own style and achieve ahead of schedule the victory of the socialist cause.

All functionaries and workers must actively participate in the worthwhile struggle to endlessly elucidate the party's leadership achievements so they can all the more achieve the victory of the *chuche* socialist cause in advance.

South Korea

ROK: KEPCO Finalizes Estimate of Light-Water Reactor Costs

SK0607094796 Seoul KYONGHYANG SINMUN
in Korean 6 Jul 96 p 3

[Report by Yi Tae-kun]

[FBIS Translated Text] On 5 July, the Korea Electric Power Corporation [KEPCO], the main contractor of the Korean Peninsula Energy Development Organization [KEDO] for the supply of light-water reactors to North Korea, made an official estimation of the costs for constructing the two light-water reactors. The estimate is known to be \$5.4-5.9 billion.

Accordingly, KEPCO intends to submit a report on its final calculations to KEDO around 15 July.

This calculation shows approximately \$1.9 billion in additional expenses compared to KEPCO's previous estimation of \$4-4.5 billion. As a result, the amount of expenses to be shared by the ROK, which is to bear 70 to 80 percent of the total cost of the light-water reactor construction, will increase. A relevant KEPCO official stated that "KEPCO has taken into account the increase in commodities prices and transportation costs, and has included in its calculation a 20- to 30-percent increase in the [original cost of] \$4.5 billion, the amount spent to build the Ulsan Nos. 3 and 4 reactors which served as the standard model for the light-water reactors to be built in North Korea." Kwon O-ki, deputy prime minister and national unification minister, attended a lecture arranged by the Korea Regional Policy Research Institute held in Seoul Hyatt Hotel on 5 July, and said that "discussions on the issue of three nations sharing the expenses for the light-water reactors will be completed by the end of this year."

ROK Defense Ministry Plans To Purchase U.S. Reconnaissance Planes

SK2806235596 (Internet) The Digital Chosun Ilbo
WWW in English 1157 GMT 28 Jun 96

[FBIS Transcribed Text] The Ministry for National Defence announced Friday that it will purchase from the US ten or so high-tech reconnaissance planes which can detect electronic communication intelligence and video information from North Korea. The planes will be deployed in the year 2000 through an investment of 360 billion won.

The reconnaissance planes chosen by the Ministry are HAWK 800XP from US Raytheon in which high-tech electronic equipment will be installed including remote-controlled surveillance systems (RCSS by

US E-system) and video radar systems (LAIRS-II by Lockheed-Martin).

Of the ten craft, five will be equipped with electronic communication systems and the remaining five will be equipped with video information acquisition systems. These planes will have the capability of monitoring the whole of North Korea's air zone within 40-50km of the DMZ area.

The video information gathering system will be able to monitor 30cm by 30cm sized objects in the Pyongyang area.

There was much competition among US, France, Canada and Israel for the supply of the craft. An official of the ministry said that although the price of the American contract is around US\$30 million more expensive than other alternatives, it is necessary to take into account the fact that the South relies heavily on the US for North intelligence. In return for the South purchasing US planes, the US will supply the South with \$US100 million worth of North surveillance photographs obtained over the last 30 years.

ROK: Further on Defense Ministry's Purchase of U.S. 'Spy' Planes

SK2906021496 Seoul YONHAP in English
0151 GMT 29 Jun 96

[FBIS Transcribed Text] Seoul, June 29 (YONHAP) — South Korea will purchase approximately 10 state-of-the-art military reconnaissance planes worth 360 billion won (about 450 million U.S. dollars) from the United States, the Defense Ministry announced Friday.

The Hawk 800XP model aircraft are produced by Raytheon, and about a half of the planes will have an RCSS remote control surveillance and electronic intelligence gathering system manufactured by E-system, and the remainder will be equipped with the Loral advanced imaginary radar system (LAIRS-II) video imaging system made by Lockheed-Martin, the announcement said.

The spy aircraft, to be purchased under the U.S. foreign military sales (FMS) program in 1999, will be put into operation in the year 2000.

Flying areas some 40 to 50 kilometers south of the Military Demarcation Line, the aircraft can acquire video images of objects as small as 30cm by 30cm in North Korea, the ministry said.

Once the reconnaissance aircraft are put into operation, the Defense Ministry will rely on U.S. military intelligence systems for only 60 percent of its information about the North Korean military, compared with the current near 100 percent.

Ministry officials said that with the new military intelligence gathering systems the Republic of Korea Armed Forces will be capable of processing real-time information on North Korea's military movements.

The equipment was chosen because it is compatible with the existing joint ROK-U.S. military intelligence system and because the U.S. Government guarantees the quality under the FMS program.

ROK: U.S. 'Poised To Mount Further Pressure' on Telecom Section

SK0607063096 Seoul THE KOREA TIMES in English
6 Jul 96 p 8

[Report by staff reporter No Chun-hon]

[FBIS Transcribed Text] The United States is poised to mount further pressure on Korea for more procurement of American telecommunications equipment for the rest of the year, government sources said yesterday.

According to them, the U.S. Trade Representative's Office has officially increased the number of staff assigned to Korean affairs following the promotion of Rick Ruzicka as the new deputy assistant USTR.

Officials at the Ministry of Trade, Industry and Energy said the USTR now has separate personnel in charge of such vital sectors as telecommunications, intellectual property rights and services.

"Telecommunications represents one of Washington's strongest interests at the moment because of the rapid increase in the demand for related products in the domestic market," said Han Yong-su, MOTIE's director general for multilateral negotiations.

The Korean government recently handed out licenses for nearly 30 communications businesses, including personal communications service (PCS), and most licensees will reportedly make their initial procurement within six months.

In fact, Christina Lund, the deputy assistant USTR for Korea who will be going on a one-year leave this month, has threatened to place Korea on its priority foreign country (PFC) list should Seoul refuse to cooperate.

However, officials at the Ministry of Finance and Economy said the government has no authority to control procurement by private companies, and that Seoul has advised Washington of its position.

"The United States has on no less than three occasions demanded that the Korean government provide fair treatment to American companies in terms of the procurement of telecommunications," one MOFE official said.

He went on to say that the position of the Korean government on these requests is firm since any control over private procurement will be in violation of the principles of the World Trade Organization (WTO).

With the strengthening of the Korean team at the USTR office, he noted, such pressure for market opening will continue in all strategic sectors, including automobiles and agriculture in the second half of this year.

"This will be more so in consideration of the presidential elections scheduled for November, and the incumbent Democratic administration will seek to step up its lobbying efforts for the private sector," the official said.

One fortunate aspect of Seoul-Washington relations is that the United States has posted a trade surplus of \$4.317 billion in the first five months of this year, up from last year's \$2.386 billion.

ROK: Seoul 'Source': DPRK Made Request for More U.S. Rice Aid

*OW0707032196 Tokyo YOMIURI SHIMBUN
in Japanese 6 Jul 96 Morning Edition p 5*

[Article by Ue Ichiro]

[FBIS Translated Text] Seoul, 5 July — It was revealed on 5 July that the DPRK (North Korea) requested last month that the U.S. Government provide the DPRK with over 100,000 tons of rice in assistance in exchange for its acceptance of the "four-way talks concept" on peace of the Korean Peninsula. A Seoul diplomatic source told this to the YOMIURI SHIMBUN. The United States is studying the possibility of extending full support to North Korea by Japan, the United States, and the ROK based on its view that this could be a chance to bring the DPRK to the table for the four-way talks. At the same time, the idea of supporting North Korea through an international consortium, which is similar to the "Korea Energy Development Organization (KEDO)," has surfaced to buffer the ROK's strong opposition to rice aid to the DPRK. Negotiations involving the four-way talks have been busily conducted behind the scenes.

Although nearly three months have already passed since the four-way talks was proposed at the U.S.-ROK summit (held in Cheju Island) on 16 April, the DPRK has yet to show its stand on this proposal. Under these circumstances, David Brown, U.S. State Department South Korea desk chief, met on 25 June with Yi Kon, the deputy director of the DPRK Foreign Ministry American Bureau, during the latter's visit to Washington to attend a scientific conference.

An informed source said that, at the meeting, the United States repeatedly requested that the DPRK join the four-way talks. In response, Yi first said that his country

is "cautiously studying the proposal on the four-way talks" and then strongly demanded that the United States first provide it with more than 100,000 tons of rice and further ease its economic sanctions against the DPRK.

The two requests were not made as conditions for attending the four-way talks. However, the State Department thinks that acceptance of the request will be "effective in terms of making North Korea attend the talks" and characterizes the request for additional relaxation of the economic sanctions as a bilateral issue linked to the ongoing U.S.-DPRK missile talks. Regarding the rice aid, however, the State Department is sounding out the possibility of cooperation between both Japan and the ROK. However, since 150,000-tons of rice aid to North Korea did not improve the dialogue between the two countries, the ROK is negative about rice aid to North Korea and told the United States that "it is a major precondition for North Korea to take part in the four-way talks without failure." In this way, the ROK is keeping early aid for North Korea in check.

Meanwhile, an idea has emerged to forming an organization like the Korean Energy Development Organization (KEDO), which is providing North Korea with light water reactors and heavy oil. Some officials of the ROK Government are of the view that, "although we may not be able to give direct aid, it is possible for us to give, through an international consortium, aid designed to reform the North Korean agricultural structure." At their policy coordination meeting with the government, the ruling parties made a proposal to study the idea of forming a KEDO-like organization.

There is a gap between the fundamental stances of Japan, the United States, and the ROK over the issue of whether they should give rice aid first or whether North Korea should declare its intention to accept the four-way talks first. Because of this, it seems likely that U.S. presidential adviser, Anthony Lake, who will visit South Korea and Japan beginning 14 July, will sound out fundamental stances of Japan and the ROK. Moreover, it is also possible that the food situation in North Korea may worsen prior to the autumn harvest season. Therefore, the three countries — Japan, the United States, and the ROK — plan to have governmental coordination over the four-way talks and the food aid at an early stage. They are also studying the possibility of holding a three-nation foreign ministerial meeting at an expanded ministerial meeting of the Association of Southeast Asian Nations' regional forum, which will be held in Jakarta from 23 July.

ROK Editorial Stresses Ability To Get Independent Intelligence

SK3006080596 *Seoul KYONGHYANG SINMUN*
in Korean 30 Jun 96 p 3

[Editorial: "Conditions for Securing Capability for Independent Intelligence"]

[FBIS Translated Text] They say that the Cold War era has ended, but the place that does not comply with this is the Korean peninsula. This is proved by a series of provocative acts, such as the DPRK's April declaration that it would not recognize the DMZ, establishing a camp at Panmunjom, and the intrusion by a North Korean patrol boat across the boundary line of the West Sea [Yellow Sea]. Such provocative armed demonstrations by North Korea only reveals its intention into action that it can provoke a war anytime.

Needless to say, our pending duty is to be capable of a watertight self-defense in which we have to be fully prepared for such provocations. Depending on another country's national defense without having a self-defense capability is indeed a problem for the country's self-esteem. From this viewpoint, the decision to introduce some 10 up-to-date reconnaissance planes and deploy them for actual warfare in the year 2000 is significant in that it puts another cornerstone in our self-reliant defense.

Needless to say, victory or defeat in a modern war depends on how a country is supported scientifically, technologically, and through an intelligence network. However, it is a fact that we have relied only on the United States in gathering North Korean intelligence. The Hawk-800XP, which we will introduce, is an up-to-date reconnaissance plane loaded with a remote control surveillance system (RCSS) and the Loral advanced imaginary radar system (LAIRS II). With the introduction of this up-to-date reconnaissance plane, it will be possible for us to gather 40 percent of North Korean intelligence independently. It was decided to introduce the Airborne Warning and Control System (AWACS) in accordance with the National Defense Mid-Term Plan. Therefore, if we unite strength with the U.S. intelligence network, we believe an almost complete surveillance system can be achieved.

Currently North Korea is exerting efforts to improve long-range missiles and biochemical weapons, thus fanning our tense situation all the more. If our self-reliant defense capability increases conspicuously at such a time, it is very reassuring to the people. What we would like to request at this time is that there not be an inch of doubt in the process of introducing expensive up-to-date weapons. The Defense Ministry made public the

introduction of such up-to-date reconnaissance planes by removing the package of military secret. This seems to be part of its effort to dissolve people's suspicions regarding this matter.

The early warning plane we plan to introduce costs over 320 billion won, and the up-to-date reconnaissance plane costs 360 billion won. A recent report by Sweden's International Peace Institute revealed that last year South Korea imported weapons worth \$1.77 billion. Since our self-reliant defense capability is being enhanced, the people's burden is also becoming that much heavier. Therefore, increasing the defense capability must be done on the assumption of transparency which leaves no room for suspicion. This remark is made because a dark cloud remains regarding the past Yulgok project.

ROK Considers Covering Part of DPRK's Olympic Costs

SK3006073896 *Seoul YONHAP in English*
0102 GMT 30 Jun 96

[FBIS Transcribed Text] Seoul, June 30 (YONHAP) — The government is reviewing "affirmatively" the issue of footing part of the expenses of North Korea's participation in the Atlanta Olympics this summer, a government official said Sunday.

He said the International Olympic Committee (IOC) and the Atlanta Olympics Organizing Committee, citing the economic difficulties of North Korea, asked the government last April if South Korea could shoulder part of North Korean Olympic expenses.

The government studied the offer "progressively" and gave an "affirmative" reply, the official said.

The issue, however, has since been shelved as there have been no further words from the IOC or the organizing committee as to the amount South Korea is supposed to chip in nor has North Korea taken any step over the matter, the official added.

ROK: Reporters Describe Suffering of North Koreans Over Food

SK0607020096 (Internet) *The Digital Chosun Ilbo*
WWW in English 1209 GMT 5 Jul 96

[Article by CHOSON ILBO reporters Cho In-won and Kim In-ku: "Two Years after Kim Il-song's Death (2)"; first graf is editor's note]

[FBIS Transcribed Text] (CHOSON Daily reporters, Cho In-won and Kim In-ku, have been dispatched in Northeast China in the North Korea border region. They have been reporting on the lives and ordeals of

North Koreans two years subsequent to the death of the North's former leader, Kim Il-song.)

Because of the urgent need to gather food, North Korea's offices and workplaces are becoming increasingly abandoned. Moreover, not many workplaces are currently in operation given the lack of material and electrical power. Schools have been closed since mid-May so that students can assist in rice planting, but most students become vendors for money or for food rather than going to the paddies.

In mid-April a forty year-old man drowned to death at the Chongjin Sea while waiting for his wife who went out to look for food. When she did not come back after ten days, he threw his ten year-old son into the sea and jumped in himself. A sea patrolling boat happened to be going by and rescued the boy, but his father had already drowned. The wife returned home twenty days later and became psychologically ill after hearing the tragic story.

Women have been primarily responsible for finding food and vending while men have been staying home and taking care of the children. Women travel to various villages with clothing or utensils to sell. To gather 10 kilograms of grain, it is common to walk more than 40 kilometers and sometimes it takes more than one month to amass this much grain. Even with a bag of grains, returning home is another road full of troubles. Many of the people have no pass to travel from place to place so they are often harassed by police officers.

A Korean Chinese woman in her fifties, for example, who had been in Musan in North Korea at the beginning of May, said that she left the border customs office at 6pm and arrived at 1am at Musan. At each of four different checkpoints, her belongings and passport was searched.

Another Korean Chinese man named Choe, in his thirties, who has many unauthorized trips within North Korea, said that the trees in North Korea are dying because all the bark has been taken off them for food. Since, people survived by eating grass and the roots of trees until late spring, they are expected to experience a most difficult time until the end of July when the new corn crops are harvested.

Citizens who eat cow or chicken meat from hunger are subject to punishment for the animals are all owned by the country. It is said that if a diseased cow were unknowingly slaughtered without permission and eaten, the potential for additional loss of human life could be tremendous.

In the hills of Musan village where it is estimated that ten people are dying a day from hunger, there is a chicken factory containing 200-300 chickens, but all of

the eggs and the chicken meat is sent to Pyongyang. Chinese-Koreans are also saying that since North Korean soldiers and high-ranking officials are receiving food rations, it is only the people who are really suffering.

ROK: DPRK Reportedly Accepts Explanatory Meeting on 4-Way Talks

SK0807084896 Seoul KBS-1 Radio Network
in Korean 0800 GMT 8 Jul 96

[FBIS Translated Text] It has been learned that North Korea has expressed its willingness to accept the joint explanatory meeting [kongdong solmyonghoe] on the four-way talks proposed by the ROK and the United States.

An ROK Government official stated on 8 July: On 25 June, during his visit to the United States, Yi Kon, North Korea's official for U.S. affairs, met David Brown of the U.S. State Department, who is in charge of ROK affairs. During this meeting, he expressed North Korea's intent to accept the joint explanatory meeting on four-way talks.

The government official added: I understand that Yi Kon also demanded that, in return for North Korea accepting the joint explanatory meeting, the United States lift additional economic sanctions against North Korea and provide it with additional rice aid.

ROK: 'Western Source': Sihanouk Denied Permission To Visit DPRK

SK0807124696 Seoul YONHAP in English
1239 GMT 8 Jul 96

[FBIS Transcribed Text] Bangkok, July 8 (YONHAP) — Cambodian King Norodom Sihanouk, who had exceptional friendship with the late North Korean President Kim Il-song, has been denied permission by Kim Chong-il to visit Pyongyang, a western source here in Bangkok said Monday.

The source well versed with Cambodian affairs said Sihanouk had several times asked Pyongyang for permission to visit North Korea, but his request had simply gone unresponded to.

King Sihanouk wanted to pay a tribute to the tomb of his dear friend and look around his deluxe villa in Pyongyang, he said.

The source said that though North Korea does not invite foreign leaders on the ground of its being in a mourning period, the ban on Sihanouk was something unusual in view of the close relations North Korea still maintains with Cambodia.

North Korea-Cambodia relations have somewhat cooled lately, yet North Korea's Public Security Ministry agents still serve as Sihanouk's body guards.

The cooled relations were because Cambodia decided to normalize relations with South Korea despite Pyongyang's objection and officials of the North Korean Embassy in Phnom Penh were found to have been involved in the flow of counterfeit dollars.

Kim Il-song's close ties with Sihanouk dates back to the 1965 Bandung Non-Aligned Summit meeting where Sihanouk supported Kim Il-song's position over the Korean question and Kim Il-song, thanking him for the support, befriended the king fast.

In his five exile years after he was deposed in Lon Nol's U.S.-backed coup in 1970, Sihanouk had virtually been in Pyongyang, living in a large mansion specially built for him by Kim Il-song in Pyongyang.

ROK: President Urges Heightened Vigilance Against Terrorism

*SK2906014196 Seoul THE KOREA HERALD
in English 29 Jun 96 p 2*

[FBIS Transcribed Text] President Kim Yong-sam yesterday ordered South Korean authorities to review the country's anti-terrorism operations.

Kim issued the instruction during a weekly meeting with his senior secretaries at Chongwadae, presidential spokesman Yun Yo-chun said.

Yun said the President gave the order while referring to Tuesday's truck bombing in Saudi Arabia.

Kim, who sent a personal message to U.S. President Bill Clinton over the bombing Wednesday, sent a similar telegram to King Fahd Abdul Al Saud of Saudi Arabia yesterday.

Kim offered his condolences and delivered South Korea's firm opposition and condemnation of any terrorism against Saudi Arabia.

Spokesman Yun said that Kim ordered that "all relevant government agencies, including the police and the military, should review their anti-terrorism operations in view of the "unique situation on the Korean Peninsula."

"We should reinforce anti-terrorism measures so that people can live safe lives," Kim said, stopping short of mentioning threats of terrorist attacks by North Korea.

ROK: Trade Minister Pak Leaves for Italy, Spain, Switzerland

*SK2706060196 Seoul THE KOREA HERALD
in English 27 Jun 96 p 8*

[FBIS Transcribed Text] Minister of Trade, Industry and Energy Pak Chae-yun left yesterday for a weeklong visit of the three European countries of Italy, Spain and Switzerland.

During his European tour, Pak will attend a meeting of trade ministers from 20 major countries with the exception of those from the so-called big-three—the United States, European Union and Japan—in Lausanne, to discuss common matters of concern prior to the December WTO ministerial conference in Singapore, ministry officials said.

The trade ministers' meeting, the second such occasion since the inaugural meeting in Vancouver, Canada, last November, will also be represented by 12 member nations of the Asia-Pacific Economic Cooperation (APEC) forum, providing an opportunity to prepare for the July 15 APEC trade ministers' conference in New Zealand, they said.

The major agenda at the Lausanne meeting include preparations for the Singapore ministerial conference; the implementation of the Uruguay Round of world trade talks settled in December 1994 and its follow-up negotiations, trade and environment; additional trade liberalization, and the so-called new issues regarding investment, competition policy, labor and corruption prevention.

Regarding the trade and environment issue, Korea is expected to call for the Singapore conference to focus on coordinating conflicting stands by member countries, instead of trying to revise the existing rules of the World Trade Organization.

While Seoul is likely to agree to the principles behind the further lowering of tariffs and speedier implementation of the Uruguay Round accord, its stance on tariff cuts and zero tariffication on specific items is that such measures should be made only with voluntary participation by related countries, the officials said.

In Italy and Spain, Minister Park will meet with major economic ministers of the respective countries to expand regional markets for Korean companies' exports and investments.

He will also help establish private economic cooperation committees with the two European countries with participation from some 50 Korean businesses, according to officials. Pak will wind up his eight-day visit and return to Korea July 4.

**ROK: Corporate Direct Financing, Overseas
Borrowing Increasing**

*SK2706055696 Seoul THE KOREA TIMES in English
27 Jun 96 p 9*

[FBIS Transcribed Text] Companies have been increasingly raising money through direct financing and overseas borrowing, according to a report released by the Bank of Korea yesterday.

The amount of funds that companies raised in the financial market during the first quarter of this year totaled about 28.6 trillion won, up 10.1 percent from the same period of last year.

The percentage of direct financing in total fund raising rose from 50.5 percent in the first quarter of 1995 to 55 percent in the same period of this year as corporate issuances of commercial paper and bonds were brisk.

The ratio of overseas borrowing rose from 9.4 percent to 16.2 percent during the period due to the increased issuances of overseas securities.

But the proportion of indirect financing such as bank loans fell from 27.6 percent to 24.2 percent.

Growth of Korea's financial assets in the first three months amounted to 56.8 trillion won, up 21.4 percent over the year before. As of the end of March this year, Korea's financial asset holdings totaled about 1,889 trillion won, 5.28 times Korea's current gross national product.

Meanwhile, the amount of the fund shortage in the business sector in the January-March period rose 12.3 percent to 18.9 trillion won. The fund surplus in the individual sector in the three-month period rose 12.7 percent to 7.7 trillion won.

ROK: Daewoo Wins Bid To Handle Rice Imports

*SK2606122596 Seoul YONHAP in English
1129 GMT 26 Jun 96*

[FBIS Transcribed Text] Seoul, June 26 (YONHAP) — Daewoo Corp. has been finally selected as the supplier of the rice South Korea has to import from abroad this year under the Minimum Market Access (MMA) clause of the Uruguay Round agreement.

An official at the supply administration said Wednesday Daewoo successfully bid for the right to import 71,260 tons of semi-polished rice.

Daewoo will introduce the rice from China by the end of August at 441.67 dollars per ton on the basis of arrival in Korea, the official said.

He said the Chinese rice is comparable in quality with California or South Korean rice and more than 100 dollars cheaper per ton than American or Australian rice.

A total of six firms took part in the competitive bidding, the five others including Hanhwa, Haitai Corp. and Wuhwa Mulsan.

**ROK: International Credit Organization Gives
ROK 'AA' Rating**

*SK2806081596 Seoul YONHAP in English
0721 GMT 28 Jun 96*

[FBIS Transcribed Text] Seoul, June 28 (YONHAP) — The IBCA Ltd., a renowned international credit rating organization, has given South Korea a AA credit rating.

The credit rating firm based in London sent a team of credit analysts to Seoul last May to rate South Korea's credit standing, and make a recommendation to the company's credit screening committee.

The IBCA's credit rating system has 25 gradations, and AA is the fourth highest.

Officials at the Finance and Economy Ministry said the rating reflects strong economic growth amidst low inflation, sound government financial policies and well managed foreign debt.

The rating is given to countries that are low risks, with a very good chance for a return on investment, and that institutional and private borrowers will have easy access to the European financial market because of the high rating, they said.

IBCA has rated countries like the U.S., Britain, France, Germany, Japan, Switzerland, and Luxembourg AAA, while Canada and Italy have also been rated AA like South Korea.

Hong Kong, Kuwait, South Africa, however, have received lower ratings than South Korea.

**ROK: Globalization Committee Adopts Plan To
Improve Fair Trade**

*SK2906033096 Seoul YONHAP in English
0303 GMT 29 Jun 96*

[FBIS Transcribed Text] Seoul, June 29 (YONHAP) — The Fair Trade Commission will be empowered to suspend unfair trade practices and legal sanctions against bid rigging will be intensified.

Cartels, trusts and other market monopolies and oligopolies will be regulated to ensure fair market competition, while a watch for unfair trade between the companies within a business group will be strengthened.

These are highlights of the fair trade improvement plan adopted by the globalization promotion committee at a meeting presided over by Prime Minister Yi Su-song Saturday.

As part of an effort to crack down on illicit conferences of contractors who intend to have each member bid the lowest price in turn to rig bidding on government-funded projects, the commission will be lenient with those who bolt from such a conference and report it.

Unfair and fraudulent trade practices in such sales promotion activities as advertising, bargain sales and sales with gifts will be strictly controlled under a new law that is going to be introduced to protect consumers from such trade practices.

ROK: Jan-May Oil Imports Up 17.2 Percent; Exports Up 20 Percent

SK006074196 Seoul THE KOREA HERALD in English 30 Jun 96 p 10

[FBIS Transcribed Text] Korea's oil consumption totaled 313.6 million barrels during the Jan.- May period, up 7.7 percent from a year earlier, but down 3.8 percentage points from the 11.5-percent increase recorded for the 1994-1995 period.

Owing to capacity buildup which went into operation this year, the production of petroleum products jumped 7.8 percent to 284.4 million bbl. [barrels], the Ministry of Trade Industry and Energy reported yesterday.

Reflecting the sharp increase in the use of naphtha and low-sulfur fuel oil, imports soared 17.2 percent to 114.8 million bbl. from a year ago, the ministry said.

Exports showed an even bigger gain of 20.0 percent, or a total of 73.2 million bbl., aided by a sharp increase in the shipment of high-sulfur diesel oil, Bunker-C oil and jet oil, for which the domestic demand was not sufficient, ministry officials said. By sector, the growth rate of industrial consumption rose 7.9 percent due to expanded use in the primary and petrochemical sectors, compared with the 4.1 percent gain recorded a year earlier.

The slowing growth in auto ownership growing popularity of natural gas, reduced power generation by thermal stations and tough environmental regulations, however, combined to slow down the growth of oil consumption in the transportation, household, commercial and power generation sectors to a range between 10 percent and minus 2.4 percent.

By products, the consumption of naphtha, a major feedstock for the petrochemical industry, grew 10.8 percent compared with a rise of 10.5 percent a year ago, while for other products, particularly the Bunker-C

oil used mainly for industry and electricity generation—the rate of growth was reduced over the cited period, the officials said.

ROK: Plan To Join OECD 'Experiencing Trouble'

SK2806031396 (Internet) The Digital Chosun Ilbo WWW in English 1156 GMT 27 Jun 96

[FBIS Transcribed Text] It was learned Thursday that the government plan to join the Organization for Economic Cooperation and Development (OECD) is experiencing trouble due to slow progress in three committees—trade, environment, and labor. The government previously thought these three committees had no effect on OECD membership, but they were recently informed that the government that they will decide on membership after studying these committees' reports.

Currently, the Trade and Environmental Committees are extensively studying Korea's import diversification system and its effort to maintain its status as a developing country in the agricultural and environmental field. In addition, the Labor Committee is requesting that Korea revise its labor law to meet international standards, such as by introducing a plural union system and allowing third-party mediation.

ROK Government 'Poised' To Reject 'Unreasonable' OECD Demands

SK0607035496 Seoul YONHAP in English 0331 GMT 6 Jul 96

[FBIS Transcribed Text] Seoul, July 6 (YONHAP) — The government, in its phased market opening policy, is poised to reject any unreasonable demand by the Organization for Economic Cooperation and Development (OECD) for a further opening of the country's capital market.

An official at the Finance and Economy Ministry said Saturday a joint meeting of OECD's committees on international investment-multilateral enterprises and capital movement-invisible transactions (CMIT/CIME) is expected to flash to Seoul a written questionnaire on the country's policy on capital market opening and improving conditions for international investment.

The questionnaire will be in connection with the nation's bid to join the organization of advanced economies.

"If the letter asks us to open the capital market over an unreasonably short period of time, we will emphasize the principle of phased liberalization of the capital market since hasty liberalization would lead to destabilizing the market as well as the country's macroscopic economy," the official said.

He said the government would carry on diplomatic efforts with OECD for the country's entry into the organization until the last minute by letting it be known that Seoul would liberalize the capital market as soon as macroscopic economy conditions allow.

The official added that OECD has so far asked Korea to liberalize the bond market, allow cash loans and permit friendly mergers and acceptance (M&A) toward foreigners.

The government position has been to stick to phased liberalization and consider further expanding the extent of liberalization when conditions permit.

ROK: NHK-TV Criticized for Cancelling Film on 'Comfort Women'

SK0707064596 Seoul YONHAP in English
0605 GMT 7 Jul 96

[FBIS Transcribed Text] Tokyo, July 7 (YONHAP) — NHK-TV, a public television network in Japan, has cancelled its production of a program on comfort women on Japanese military camps during the Second World War, apparently on instructions from a top official in the public television company. The program was one of the specials to be aired on August 15, the day of Japanese surrender to the allied forces in the war.

NHK said the cancellation was due to the production crew's violation of the Justice Ministry regulations that require a prior approval to go through the ministry's trial document files on war criminals for reporting purposes. But comfort women's organizations and support groups both in Korea and Japan said what matters the most is the Japanese Government has been hiding the materials on comfort women.

The cancelled program is one of the NHK specials titled, "to the forgotten depth.... The issue of Asian comfort women," whose production team was formed in March.

The crews on the team noted clearly in the production outlines that the purpose of the production is digging out materials backing up both Japanese Government and military's involvement in the comfort women during the war through interviews with those women who served as sex slaves, and other means.

The production crews, on that note, have already finished videotaping related materials in the U.S. and Europe, and a number of people in China, and Japan, who were involved with the sex slaves, while comfort women's organizations in Korea, and Indonesia have been arranged for interviews later.

The trouble occurred when a NHK crew shot video films of documents on war criminals at the Justice Ministry,

although they promised they will not take pictures, and the crew were told not to film the documents. NHK apologized to the Justice Ministry and reprimanded four of its men involved in the incident.

The production manager finally stopped the production on June 25 amid rumors that the level of objection to the program inside NHK was rising too high.

In the meantime, the Korean Committee for Measures for Comfort Women, contacted for interview in Seoul by NHK and support groups in Japan, are demanding that the Japanese TV should show the program as promised and come up with convincing excuses for cancellation or face protest demonstrations.

ROK: NCNP, ULD Agree To 'Jointly Push' Policy Issues Package

SK2706062796 Seoul THE KOREA HERALD
in English 27 Jun 96 p 3

[FBIS Transcribed Text] Boosted by their recent high-profile alliance against the ruling party, two major opposition parties yesterday announced that they agreed to jointly push ahead with a package of policy issues.

"We agreed to push together those common policy issues that our two parties put up in campaigns for April's general elections," said Rep. Yi Hae-chan, chief policymaker of the main opposition National Congress for New Politics (NCNP).

Together with his counterpart from the United Liberal Democrats (ULD), Yi made the policy announcement in the National Assembly, which has been locked in a confrontation among rival parties for weeks.

In a rare alliance, the two opposition parties have taken common steps against the ruling New Korea Party, which succeeded in securing a majority after the April elections by recruiting independents and opposition lawmakers.

Urging the ruling party to return to a minority status, the opposition parties are blocking its move to elect the National Assembly speaker, the first item on the agenda of the new legislature, which was inaugurated June 5.

The new National Assembly has since been paralyzed with some physical clashes between the two sides over floor operations.

The opposition parties, which fought against each other in the April vote, buried the hatchet and are expanding their alliance to policy development.

The NCNP's chief policymaker said their joint work will start by launching two task forces — one charged with investigating environmental pollution and the other

with seeking legislation aimed to revitalize small enterprises' business activities.

A group of lawmakers from the two parties is planning to visit a controversial man-made lake in Kyonggi Province which is spewing out polluted water into the Yellow Sea nearby Saturday.

The opposition parties also agreed to work together on five policy issues in the political area, including the parliamentary approval of the President's appointment of the prosecutor-general.

"But we will take up some sensitive political issues later in order not to affect the ongoing negotiations with the ruling party over the current deadlock," said Rep. Yi Hae-chan of the NCNP.

The issue of the so-called political neutrality of the prosecution and police remains one of the greatest stumbling blocks to the normalization of the paralyzed National Assembly.

ROK: Yi Hong-ku Suggests Collective Leadership of Parties

SK2906013496 Seoul THE KOREA HERALD
in English 29 Jun 96 p 2

(FBIS Transcribed Text) Ruling party leader Yi Hong-ku suggested yesterday the nation's political parties be led by several leaders, not by one man, in order to promote a new kind of politics.

"To create a democratic leadership system (run by several rulers) is the pressing problem facing Korean parties," said Yi, chairman of the New Korea Party.

He made these remarks when he delivered a keynote speech at a debate session and luncheon with the Korea Broadcasting Journalists Club.

His emphasis on the collective leadership of political parties is an apparent call for the end of the political dominance of the three Kims — President Kim Yong-sam, who also heads the ruling party, Kim Tae-chung of the main opposition National Congress for New Politics and Kim Chong-pil of the opposition United Liberal Democrats.

The three leaders are dominating powers in their parties.

The current one-man rule system, Chairman Yi said, is a product of an earlier era when opposition parties fought against dictatorships.

"Politics in the past, in a word, could be characterized by struggles. But that era has passed," Lee said.

To create a new political culture based on dialogue and compromise, he said, the nation needs new political leadership formats.

He also urged political parties to try to establish new political traditions and practices to manage the various tasks facing the nation.

The tasks referred to were the improvement of inter-Korean relations, South Korea's admission into the Organization for Economic and Cooperation Development (OECD) and the co-hosting of the 2002 World Cup soccer finals with Japan.

In particular, Chairman Yi pinpointed the conflict between classes, regions and generations as a major stumbling block to the nation's development.

But the biggest problem, he said, is that politics, which "should take the lead in solving those pending issues," is falling behind other fields.

"Unless our politics improves, we can hardly expect our nation to join the ranks of advanced countries," said Yi, who once served as prime minister.

Yi, a first-term lawmaker, also said politicians should try to provide hope and dreams to the public in the coming 21st century.

For this, he said, political parties should no longer rely on merely shouting political slogans, an old-fashioned practice to attract voter attention, and instead focus their efforts on developing policies.

ROK: Kim Yong-sam Urges Parliament To Pursue 'Big Politics'

SK0807021796 Seoul YONHAP in English
0207 GMT 8 Jul 96

(FBIS Transcribed Text) Seoul, July 8 (YONHAP) — President Kim Yong-sam said Monday that "big politics" should be pursued in the new National Assembly for the legislature to provide the vision and hope of the coming century to the people.

"The new National Assembly should become the locomotive to lead the country toward the future while giving to the people the vision and hope of the 21st century. To this end, 'big' politics, not the old-fashioned politics of the past days, must be conducted in this National Assembly," Kim said.

Kim made the remarks in a speech congratulating the inauguration of the 15th National Assembly.

"The National Assembly has the mission and authority to muster national power in the rapidly-changing era," Kim emphasized, saying, "of all leaders from various strata, your (lawmakers) leadership is urgently required to change the challenge to an opportunity for a leap forward."

Kim stressed that the people have a strong desire that parliament become a "drill hall of democracy" where democratic procedures are respected through dialogue and compromise, not the politics of struggle and extreme confrontation.

Kim maintained that the people hope that parliament becomes a "main hall" of clean politics, advanced economy and national unification.

"We should overcome difficulties, like inflation and the international payment deficit, facing the nation now, and realize our dream to transform the country into an advanced economic power," Kim said. "I hope the National Assembly will become the sanctuary of, and a key player in the construction of, an advanced economy."

Regarding social welfare, the chief executive stressed that the 21st century is an "era of human security," in which every man should be protected from war and environmental pollution, accidents, crime, chaos and disorder. Kim continued that he believes the 15th Assembly will be a "leading actor in improving public welfare" since the quality of peoples' lives will depend on decisions made by legislators.

Forecasting that epoch-making changes will surely take place on the Korean Peninsula during the four years of the 15th parliament, the president emphasized, "Since preparatory work for the reunification of the Korean Peninsula is your most important obligation, active parliamentary support and cooperation are definitely needed to foster a national consensus on the reunification issue. [no end quote marks as received]"

Kim vowed that he will take the initiative along with legislators to achieve the national goal of building a first-rate nation, and faithfully and impartially perform responsibilities and use the authority bestowed on him by the people and the constitution until the end of his term.

ROK National Assembly Elects Chairmen of 18 Committees

SK0807053196 Seoul YONHAP in English
0519 GMT 8 Jul 96

[FBIS Transcribed Text] Seoul, July 8 (YONHAP) — The 15th National Assembly elected at a plenary meeting held Monday chairpersons of its 16 standing committees and two special committees who will run parliament for the first half of its four-year term.

They are from the ruling New Korea Party (NKP), the main opposition National Congress for New Politics (NCNP) and the minor opposition United Liberal Democrats (ULD) as follows:

Steering, So Chong-won (NKP); Legislation-Judiciary, Kang Chae-sop (NKP); Administration, Kim In-kon (NCNP); Finance-Economy, Hwang Pyong-tae (NKP); Unification-Foreign, Pak Kwan-yong (NKP); Home, Yi Taek-sok (NKP); Defense, Kim Yong-lu (NKP); Education, Kim Hyon-uk (ULD); Culture-Sports-Information, Yi Se-ki (NKP); Agriculture-Forestry-Fisheries, Kim Tae-sik (NCNP); Trade-Industry-Energy, Son Se-il (NCNP); Communication-Science-Technology, Kang Chang-hui (ULD); Environment-Labor, Yi Kung-kyu (ULD); Health-Welfare, Sin Ki-ha (NCNP); Construction-Transportation, Paek Nam-chi (NKP); Intelligence, Kim Chong-ho (NKP); Ethics, Pyun Chong-il (NKP); and Women, Sin Nak-kyun (NCNP).

The unicameral house also passed resolutions to form two ad hoc committees to look into alleged irregularities involving the April general elections and improve the parliamentary and election systems during its three-week 180th special session.

The parliament will hear Prime Minister Yi Su-song's policy speech Tuesday, and policy speeches by NKP Chairman Yi Hong-lu, NCNP Vice President Yu Chae-kon and ULD President Kim Chong-pil for three days beginning next Wednesday.

Throughout next week, it will interpellate Prime Minister Yi and other cabinet ministers about the state of state affairs, and then embark on committee sessions for five days beginning July 22. It will close the three-week special session July 27.

The ruling and opposition parties are expected to wage hot debates over the alleged votes fraud in the recent general election, distribution of officially-raised political funds and the political neutrality of law enforcement agencies.

Also at issue on the floor will be constitutional revision, inflation and surging current-account deficits, pollution, and rice aid to North Korea.

In particular, the opposition parties will demand the dismissal of National Police Commissioner Pak Il-yong for his recent remarks opposing the police's political neutrality.

On the other hand, the ruling party will call for the revision of the local self-government system, including political party's non-involvement in mayoral and gubernatorial elections and redrawing administrative districts in provinces and metropolitan cities.

ROK Defense Ministry Plans To Improve Image Through TV Commercials

*SK2706065396 Seoul YONHAP in English
0634 GMT 27 Jun 96*

[FBIS Transcribed Text] Seoul, June 27 (YONHAP) — The Defense Ministry, for the first time ever, will attempt to improve its image through commercial advertising.

The ministry has consulted an advertising agency about producing a series of television commercials 15 to 30 seconds in length to boost the image of the nation's military, ministry officials said Thursday.

The commercials will be broadcast between September and October and will cost a total of 480 million won (591,862 U.S. dollars), including 80 million won in production costs.

A ministry official pointed out that it has not been easy to rectify the military's image which he said has been tarnished by injustices and irregularities committed by past military regimes, including those headed by Chon Tu-hwan and No Tae-u.

In using an indirect approach in its image-enhancing campaign, the ministry will stress the importance of a strong military defense for the preservation of peace, as opposed to displaying various aspects of the Armed Forces like military trainings.

Last year, the Navy and Air Force Academies used similar commercials to attract more recruits as part of their public relations campaign.

ROK: Military Negotiating To Boost Defense Improvement Budget

*SK3006034396 (Internet) The Digital Chosun Ilbo
WWW in English 1146 GMT 29 Jun 96*

[FBIS Transcribed Text] The Military is negotiating with the government with a view to increasing its budget for the defence force improvement project to 4.2232 trillion won next year, a 21.8 percent increase over the current year's budget.

An official from the Ministry for National Defence said since the collapse of the cold war in 1989, budget increases have been limited to 4.1-7.4 percent but that now due to the uncertainty of the North Korean system and strategic changes taking place in the peninsula region, the budget increase cannot be postponed.

Amongst the high-tech weapons to be introduced are 27 MLRSs (multiple launch rocket systems) capable of launching 12 230mm rockets, anti-artillery radar AN/TPQ-37 manufactured by US Hughes capable of pinpointing enemy territory within 5-10 seconds and

US Army's surface to surface ATACMS missiles which have a range of 165 kms and contain 950 bomblets per canister. In addition, side-winder aircraft missiles and unmanned reconnaissance planes will be purchased.

ROK Minister Urges Cooperation in Government's Labor Policy

*SK2706040296 Seoul YONHAP in English
0305 GMT 27 Jun 96*

[FBIS Transcribed Text] Seoul, June 27 (YONHAP) — Labor Minister Chin Nyom requested Thursday that employers cooperate with the government's labor policy, saying the labor dispute nonintervention policy that supports lawful and sincere collective bargaining and the pursuit of labor reform within a legal framework is unswerving.

Speaking at a Korea Employers Federation breakfast meeting, the top labor official declared there has been no change in the government's view that the reinstatement of dismissed workers cannot be on a collective bargaining agenda.

He added, however, "But in some workplaces, labor and management may agree to reinstate dismissed workers of their own accord for the sake of labor peace."

Asked about the growing influence of the outlawed dissident labor organization, the Korean Federation of Democratic Trade Unions, Chin replied that there is no change in the government's position that the outlawed union, however influential, cannot be a partner in any collective bargains, though shop unions which were lawfully established but which now are affiliated with the outlawed union can be represented in collective bargaining that affects their interests.

In fact, not a few such unions are now partners in collective bargaining activities, he explained.

The government, although it supports lawful collective bargaining, will have to deal with illegal labor movements in strict accordance with the law to prevent the vicious cycle of the militant and violent labor movement of the 1970s from recurring, by dismissing the leaders of such movements and those who struggle for their reinstatement, he stressed.

If all the demands for increased wages and improved labor conditions are met, industries will relocate their factories overseas, causing workers to lose their jobs, he remarked.

**ROK: Competitiveness of Steel Industry
'Deteriorating'**

SK2706064896 Seoul *THE KOREA TIMES* in English
27 Jun 96 p 8

[FBIS Transcribed Text] The competitiveness of local steel companies has been deteriorating in recent years even as conglomerates like the Hyundai Group have made a keen attempt to enter into the sector.

In a paper, Prof. Kim Se-yong of Taankuk University said labor costs in the iron and steel industry had been going from bad to worse, and the expansion in production of higher value-added products was critical.

"Korea was one of the most competitive countries in the steel industry in 1984, but increasing labor costs have been eating away at its competitiveness," Kim said in his report.

He said labor costs had been increasing at a rate of 5.88 percent through the 11-year period, the highest among steelmaking countries.

In 1984, the production cost per ton was \$256, only 56.6 percent of the United States' \$478 and even lower than Brazil's \$296, he noted in his paper entitled "Evaluation of the Korean Steel Industry."

Last year, however, the production cost rose to \$489 per ton, exceeding Brazil's \$449 and Britain's \$443 and closing in quickly on Japan which is by far the most expensive at \$627.

While the labor cost is still relatively low at \$79 per ton when compared to countries like Germany which is at \$209, it is higher than in Brazil with its \$72.

Even in terms of productivity, Prof. Kim said, Korea ranked a poor fourth among the top seven steel-producing countries with an average annual increase of 3.36 percent.

"What is needed is the introduction of more rationalization measures and the expansion in the manufacture of higher value-added products to boost the competitiveness of Korean steel products," he observed.

**ROK: Conglomerates Downsizing To Cope With
'Business Slump'**

SK2906003596 Seoul *THE KOREA TIMES* in English
29 Jun 96 p 8

[Report by staff reporter No Chun-hon]

[FBIS Transcribed Text] Large business conglomerates are desperately engaging in downsizing and the reorganization of investment plans to cope with the apparent business slump.

Giant multinationals, including Samsung and Hyundai Groups, are cutting back on expenses, streamlining their work force and readjusting their target turnover to make their business plans more realistic.

At the Samsung Group, group chairman Yi Kon-hui reportedly handed down a directive for integrating duplicated businesses, postponing some investment plans and terminating projects that are not promising.

"In addition, we are looking to relocate the operation of a number of manufacturing programs for which labor costs have reached uncompetitive levels," explained one group official.

Even at Samsung Electronics, where the tremendous profits from semiconductors made it seem as if there was no end to the rainbow, it is time to reduce expenses and restructure the investment outlay.

At the same time, the company has introduced a program under which employees can subscribe to early retirement, a measure that had shocked an industry promising lifetime employment.

"We are being forced to modify our annual turnover target from 21 trillion won by about 10 percent. We will also have to transfer the production of consumer electronics, with the exception of the five bestsellers, to small companies," explained one Samsung official.

In addition to reducing the expenditure on promotional programs, the Samsung Group has gone to the extent of asking executives to refrain from golf outings, indicating the seriousness of the situation.

Similarly, the Hyundai Group is introducing some dramatic measures to cope with the deteriorating economic conditions, including 10-20 percent reductions in administration, advertising and entertainment costs.

To reduce labor costs, a number of employees without specific job descriptions will have to be released, group officials said, adding that downsizing in the work force has become inevitable.

Meanwhile, the LG Group is reportedly revamping all investment plans with the exclusion of those for information and communications since it was selected to provide personal communications service (PCS) from 1998.

"We are basically looking at projects that will not produce results within the next couple of years. We will have to streamline our investment plans to make sure that our financial structure is sound," one LG official noted.

He added that the administration aspect of the group will have to be trimmed, and expenses will be cut by some

30 percent. "A greater sense of priority will be placed on strategic projects," the official said. Pohang Iron and Steel Co. (POSCO), which posted unprecedented profits of more than 800 billion won last year, is also experiencing the pinch of the fall in global prices and is being forced to cut costs.

POSCO officials said it was resorting to a number of steps to reduce costs, such as dispatching employees to subsidiaries to improve the cost structure and reducing expenses by as much as 12.8 billion won this year.

"Basically, one of the main problems related to the current situation is that Korean companies face enormous difficulties in laying off workers because of the unique labor-management policy and other considerations," one official at the Federation of Korean Industries said. Still, he said, with the worsening exports and deteriorating business conditions, streamlining the labor force looks inevitable as a first step to regain the competitiveness lost to countries like Japan.

ROK: May Industrial Output Up 9.8 Percent Over 1995 Level

*SK2906015796 Seoul THE KOREA HERALD
in English 29 Jun 96 p 8*

[By staff reporter Kwak Yong-sop]

[FBIS Transcribed Text] In contrast with a growing sense of an "economic crisis," Korea's industrial activity was robust in May with private consumption and corporate capital spending posting strong advances.

Business inventories, however, soared to a whopping 20.6 percent annual rate as sluggish exports caused stocks of steel products and semiconductors to continue piling up.

The nation's industrial output surged by 9.8 percent in May from a year ago, the National Statistical Office (NSO) said yesterday.

The output gain is the strongest performance this year after January's 12.4 percent advance. The year-on-year growth rate of industrial production dropped to 8.1 percent in February and 5.7 percent in March, whereas it climbed back to 8.4 percent in April.

The output gain in May was attributed to brisk domestic sales of cars and computers as well as strong exports of color TV sets, communications equipment and ships.

Output of passenger cars jumped by a 32.8 percent annual rate, while that of computers and other office equipment surged 28.1 percent.

An NSO official said that running counter to widespread fears of a sharp economic slowdown, overall business

conditions are good in light of the May figures. "Given the industrial activity between January and May, the economic growth rate for the first half of this year is expected to exceed 7.5 percent," he added.

The economy, the official said, is expected to grow steadily in the second half of the year, with the annual growth rate likely to range between 7 percent to 7.5 percent, or the government target band.

Bureaucratic optimism notwithstanding, concerns are running deep over the future performance of the economy as Korea's current account deficit continues to snowball and inflationary pressures build.

Korea's current account deficit skyrocketed to \$8.11 billion in the first five months of the year, up from \$5.06 billion a year ago.

Defining the current economic situation as "a crisis," private economists predict that the economy may slow down sharply and that the economy may not make a soft landing.

According to the statistical agency, the 20.6 percent inventory growth rate in May was the highest monthly gain since June 1990.

The sharp rise in inventory was ascribed mainly to sluggish shipment of steel products and semiconductors of which exports have recently been on the wane.

A barometer of corporate capital spending, orders for domestically-made machinery shot up 35.9 percent in May from a year ago.

The composite index of nine leading, economic indicators which forecasts business conditions three to six months ahead, rose 0.9 percent in May.

ROK Manufacturers' Labor Cost Said 'Highest' in Asia's NIEs

*SK2706060496 Seoul THE KOREA HERALD
in English 27 Jun 96 p 8*

[FBIS Transcribed Text] Is Korea the country known for its high cost of doing business? In terms of wages, yes, according to government data released yesterday.

Korean manufacturers' per-hour labor cost is much higher than those in other newly industrializing economies (NIEs) in Asia, the Ministry of Finance and Economy said.

The per-hour labor cost of Korea's manufacturing industry, or the hourly wage plus employers' welfare contributions, amounted to \$6.25 as of the end of 1994, the highest among Asia's NIEs, the ministry said.

In contrast, the per-hour labor cost of manufacturers in Korea's rival economies in Asia averaged \$5.77, it added.

During the 1987-94 period, Korea's unit labor cost also posted a growth rate considerably larger than those in advanced and developing countries, the ministry said.

Korea's unit labor cost jumped 4.9 percent during the eight-year period, compared with Taiwan's 2.9 percent, Germany's 2.9 percent, 0.8 percent of the United States and a 0.4 percent decline in Japan, it said.

The wage level of Korean manufacturing workers, measured as the percentage of per capita GNP, is much higher than other countries as well.

In 1994, the yearly wage of Korean manufacturing workers was 1.8 times Korea's per capita GNP of \$8,508, compared with Japan's 1.28 times, Taiwan's 1.20 times and 1.02 times of the United States, the ministry said.

ROK: BOK Predicts Slower Manufacturing Growth in 3d Quarter

SK2806082296 Seoul YONHAP in English
0753 GMT 28 Jun 96

[FBIS Transcribed Text] Seoul, June 28 (YONHAP) — The manufacturing industry will continue to expand in the third quarter, but at a slower pace than the previous quarter. The non-manufacturing sector, however, will

slow even more between July and September, according to a Bank of Korea (BOK) survey of 2,480 businesses, including 1,429 manufacturers across the country, about their business prospects for the third quarter.

The Central Bank's Business Survey Index (BSI) stood at 103 for the third quarter, down from 108 for the second quarter.

A BSI of more than 100 means there are more businesses with an optimistic outlook than those with bleak prospects.

By sector, the BSI stood at 75 for pulp and paper, 88 for wood, 92 for basic metals, such as iron and aluminium, 121 for machinery, 110 for shipbuilding, 108 for automobiles, 113 for sale, 115 for production and 106 for shipments.

The BSI for new machinery orders was 100, the same as the second quarter, and for employment it was 79, indicating that a labor shortage is expected in the next quarter.

The non-manufacturing sector's BSI was 90, down from 93 in the second quarter, suggesting a more severe slowdown for this sector.

The Korea Development Bank's BSI for manufacturers rose from 104 in the second quarter to 108 in the third quarter.

Burma

Burma: Aung San Suu Kyi Writes Column in Philippines Daily

OW2806111196 Tokyo KYODO in English
0902 GMT 28 Jun 96

[FBIS Transcribed Text] Manila, June 28 KYODO — While Myanmar (Burma) newspapers lash out at the country's pro-democracy leader Aung San Suu Kyi, a Philippines English-language daily announced Friday [28 June] it has given the Nobel Peace Prize winner a weekly column.

Suu Kyi will write for "TODAY," a recently founded newspaper that caters to the Manila elite.

The paper said Suu Kyi's "Letter From Burma" will bring a "compelling message of freedom to the world." It will cover issues in current-day Myanmar, it said.

The daily likened Suu Kyi's struggle to the fight waged by Corazon Aquino, wife of Benigno Aquino who was assassinated at Manila's airport on Aug. 21, 1983, against the Marcos dictatorship.

"The nonviolent struggle of Aung San Suu Kyi and the Myanmar people against the military junta in her country has been compared to the fight waged by Corazon Aquino and the Filipino people against the Marcos dictatorship," the daily said.

It said, "(Suu Kyi) has become the focal point of the opposition, and has repeatedly shamed the junta by continuing to attract droves of followers and the support of democratic countries all over the world."

Suu Kyi's maiden column titled "A Dissident's Life" appeared in TODAY on Thursday.

The column describes how the State Law and Order Restoration Council (SLORC) has moved to quell the dissidents in Myanmar.

"Even the day-to-day running of an NLD (National League for Democracy) office requires perseverance, patience, ingenuity and cool nerves," she said, adding the junta meddles even with the putting up of party signboards.

"Where else in the world has the matter of a party signboard turned into an open-ended saga?" she asked.

Burma: Aung San Suu Kyi Says Opposition Members Resign Under Duress

BK0507135196 Hong Kong AFP in English
1330 GMT 5 Jul 96

[FBIS Transcribed Text] BANGKOK, July 5 (AFP) — Burmese opposition leader Aung San Suu Kyi said Friday that detained activists from her National League

for Democracy (NLD) were being forced to resign from their elected posts under duress.

Some 14 NLD candidates who won seats in the abortive elections of 1991 had been released from detention by the military authorities after being pressured into signing away their elected posts, Aung San Suu Kyi told AFP.

"There was a lot of pressure exerted on them. Some were threatened with prison sentences, some were told they would have to leave their state-owned apartments in which they were staying," she said in a telephone interview.

Resignation notices have been plastered across the front pages of the official press in recent weeks, announcing that the named NLD members no longer "wished to do party politics."

More than 200 elected NLD officials were among 262 opposition activists rounded up in a massive sweep in late May ahead of a party meeting to mark the sixth anniversary of the 1990 elections, which the NLD won by a landslide.

The military junta, which had supervised the elections, refused to honor the results, and launched a repressive crackdown against its political opposition.

Aung San Suu Kyi said the NLD had been in contact with the officials who had stepped down, but said the party regarded the government's actions as "illegal" and invalid and would not accept the resignations.

"We do not regard the resignations as valid at all, especially as they were signed under force and that is illegal," Aung San Suu Kyi said.

"They were made to resign as members of parliament, which of course they cannot do, because they can only do it if parliament is in session," she said.

The ruling junta has set up a National Convention in the [words indistinct] of parliament aimed at drawing up a state constitution under which the military would remain as a leading force in any future civilian governments.

Burma: Aung San Suu Kyi Interviewed on 'Growing' NLD Support

BK0707084796 Hong Kong AFP in English
0125 GMT 7 Jul 96

[FBIS Transcribed Text] BANGKOK, July 7 (AFP) — Burma's military has kept its firm grip on power since Aung San Suu Kyi's release from detention a year ago, but the opposition leader says her democracy movement is slowly gathering steam.

After she was unexpectedly freed from almost six years of house arrest on July 10 last year, Aung San Suu

Kyi announced to the world that apart from her release, "nothing else has changed."

A year later, during which her National League for Democracy (NLD) and the military have been engaged in an almost constant stand-off, Aung San Suu Kyi says her assessment has been borne out by the junta's continued strict control on the country's politics.

"I think that what has happened in the past year is that my words, that nothing had changed, have been proved true," a tired-sounding Aung San Suu Kyi said in a telephone interview with AFP on Friday [5 July].

"There are those who claim that there have been some improvements, that there has been some progress towards democratisation. But in fact there has been no progress of that kind," the Nobel Peace Prize winning laureate said.

She said release from house arrest had had a minimal impact on her day-to-day life, which remains under the scrutiny of military intelligence, situated a stone's throw away across the road from her suburban home.

"I am just busier than I was before," she said. Aung San Suu Kyi, who is married to Englishman Michael Aris, said she had not seen her family since they visited for Christmas last December.

The 51-year-old opposition leader is allowed discreet trips out of her compound in a car with tinted-black windows — tailed by a police car — but has on a number of occasions been barred from making overt public appearances.

Her days are packed with a gruelling stream of meetings with NLD officials and activists — a sign of the flurry of activity her party has been experiencing in the past year.

Aung San Suu Kyi said the past 12 months had seen a resurgence of the NLD, which took the lion's share of seats in 1990's abortive elections, but was left in disarray and riven by infighting in the military crackdown which followed the polls.

"From our side, the National League for Democracy has become stronger and more active than it has been for years," she said.

The freeing from prison of leading party lights such as Tin Oo and Kyi Maung, both NLD vice-chairmen today, in the months ahead of her release had brought a strong leadership to the party, she said.

However, she added that while the party was experiencing something of a renaissance, members were under no illusions that they were home free.

"Everyone in the NLD is prepared for arrest," she said when asked if she expected to be taken into custody by the authorities. "I have repeatedly said that anyone in Burma can be arrested at any time."

In addition to a stronger party structure, Aung San Suu Kyi said the NLD's fortunes were also being boosted by outpourings of support every time the government flexed its muscles against the opposition, pointing to the huge crowds who turn out for her weekend speeches outside her home.

"We could see that public support for us was growing," she said. "It was first noticeable when the NLD was expelled from the National Convention and again around our party congress in May."

More than 260 NLD activists were detained ahead of the party congress.

Aung San Suu Kyi refused to speculate about why the meetings, which have been banned by the authorities, had not been prevented from occurring.

While extremely accessible to foreign journalists, the opposition leader refuses to be drawn into commenting on the motives of the junta, her party's plans or projections for Burma's political landscape.

"I never make statements on what the future is going to hold because I am not an astrologer and I don't have a crystal ball, so I can't say what is going to happen," she said.

Burma: Aung San Suu Kyi Denies 'Anti-Business' Claims

BK0707143596 Hong Kong AFP in English
1423 GMT 7 Jul 96

[FBIS Transcribed Text] RANGOON, July 7 (AFP) — Burmese opposition leader Aung San Suu Kyi Sunday denied suggestions she was anti-business, saying she favored any business which benefited the people as a whole.

Addressing a regular weekend meet-the-public session outside her home, Aung San Suu Kyi was responding to allegations that her calls for foreign investors to shun Burma until democracy prevails were anti-business.

"Some people think we are anti-business and against economic development," she remarked. "We have said repeatedly ... that we want to see the kind of business that benefits the people as a whole and not just a handful."

She has previously said that foreign investment in Burma currently benefited only Burma's military rulers

and some local interests but would not help improve the lot of Burmese in general.

Meanwhile, official commentaries in state-run newspapers continued to criticize Aung San Suu Kyi and to question her credentials to be a national leader.

A commentary in the English-language *NEW LIGHT OF MYANMAR* Sunday heaped praise on her father, the late General Aung San, as the nation's savior, but poured scorn on the daughter for "conniving with neo-colonialists to lead Burma back to servitude."

The commentary came ahead of Martyrs Day, July 19, the anniversary of the assassination of Aung San and members of his cabinet 48 years ago.

Aung San Suu Kyi is expected to attend the official ceremony to pay homage to Aung San, whom she described recently as "not only a father I love but also the person I respect as my political leader."

Burma: Nordic Group Urges Sanctions on Rangoon
BK0507134996 (Internet) BurmaNet News in English
 3 Jul 96

[FBIS Transcribed Text] The Nordic Burma Council, which consists of the Burma committees in the five Nordic countries has written to the Nordic Prime ministers and requested that specific action be taken against the military junta in Rangoon because of its consistent and widespread violation of human rights. The latest example of this is the death in custody of Mr Leo Nichols, the consul and representative of several European countries and a close friend of Daw Aung San Suu Kyi.

Joint Nordic action is demanded on the following:

1. The Nichols case: Jointly establish a fast-working, high level International Enquiry Committee to look into the political, legal and medical aspects of Leo Nichols' death in custody.

2. Trade Boycott:

(a) Support Denmark's initiative for a joint EU trade boycott.

(b) Jointly pursue trade sanctions in the UN.

(c) Jointly and vigorously pursue the issue of trade sanctions with Japan and ASEAN.

(d) A joint Nordic Trade boycott of Burma and of multinational companies which do substantial business in Burma.

3. Political action through the UN: Jointly request the UN Secretary General, Mr Butrus-Ghali, to explain what measures he has taken under the mandate given to him

in the last several General Assembly Resolutions on Burma, to "assist in the process of democratization and national reconciliation".

4. Financial sanctions through the UN Agencies: Jointly refuse to finance UN Agencies (UNDP, UNICEF, WHO, UNHCR, IBRD, ADB, etc) programmes and projects in Burma unless these specifically have been reviewed as to their possible misuse by the Burmese army and organizations used to suppress the civilian population.

5. UNHCR — United Nations High Commissioner for Refugees: Jointly keep the UNHCR under special observation as to that agency's policies and practices towards Burmese refugees. Deportations or "repatriations" to a country officially recognized by the UN as a gross violator of human rights should not be allowed under any circumstances, and should lead to quick cuts in the funding of UNHCR.

6. Action through other international non-governmental fora: Jointly take action in support of the democratization process in Burma in other international fora, such as Socialist International, the Council of Europe, the Inter-Parliamentary Union, the Intl. [International] Confederation of Free Trade Unions, the European Trade Union Council, and so forth.

In connection with the steadily deteriorating human rights situation in Burma, culminating so far with the death in custody of James Leander Nichols, former Honorary Consul for Denmark, Finland, Norway Sweden and Switzerland, we hereby request that the Nordic countries:

(a) allocate more — and substantial — resources and support to the democratic opposition lead by Daw Aung San Suu Kyi in Burma and her cousin Prime Minister Dr Sein Win of the exile government (NCGUB) and its allies outside Burma

(b) coordinate a systematic Nordic effort to put tangible and visible pressure on the illegitimate SLORC [State Law and Order Restoration Council (SLORC)] regime in Rangoon.

Experience so clearly indicates that the past six years' efforts have been too little, too late. We propose the following six specific measures in that respect:

1. The Nichols case: Jointly establish a fast-working, high level International Enquiry Committee to look into the political, legal and medical aspects of Leo Nichols' death in custody.

We reaffirm the proposals made to this effect to the Danish, Norwegian and Swedish Ministries of Foreign

Affairs. We also note with satisfaction that Finland has already called for an official enquiry, and that Denmark, Norway and Switzerland have been and are vigorously pursuing the case to clarify the medical causes of Mr Nichols' death.

2. Trade Boycott:

(a) Support Denmark's initiative for a joint EU trade boycott.

(b) Jointly pursue trade sanctions in the UN.

(c) Jointly and vigorously pursue the issue of trade sanctions with Japan and ASEAN.

(d) Depending on the outcomes of these efforts, we propose that there be a joint Nordic Trade boycott of Burma and of multinational companies which do substantial business in Burma. We are aware of the fact that the trade between the Burma and the Nordic countries are modest, and as such would not have a dramatic impact on the Burmese economy. But the symbolic effect worldwide would be dramatic, and would be a message of support to the Burmese people, as was the Nobel Prize to Daw Aung San Suu Kyi.

Considering the fact that the United States is also considering trade sanctions, this could have much wider effects than foreseen at this moment.

3. Political action through the UN: Jointly request the UN Secretary General, Mr Butrus-Ghali, to explain what measures he has taken under the mandate given to him in the last several General Assembly Resolutions on Burma, to "assist in the process of democratization and national reconciliation", and to offer Nordic support to enable him to actively follow up on this very clear request by the UN General Assembly. Jointly co-sponsor the Autumn 1996 General Assembly Resolution on Burma.

4. Financial sanctions through the UN Agencies: Jointly refuse to finance UN Agencies (UNDP, UNICEF, WHO, UNHCR, IBRD, ADB, etc) programmes and projects in Burma unless these specifically have been reviewed as to their possible misuse by the Burmese army and organizations used to suppress the civilian population. We draw your attention to points 1-8 in our "Open Letter to the UN" dated 21 June 1993 (in the enclosed "Burma and the United Nations") which are sufficiently clear to be implemented by each UN agency immediately if there is a will to take practical action to honour the 1991, 1992, 1993, 1994 and 1995 UN General Assembly's resolutions on Burma. As major donors, the Nordic Countries easily wield the necessary power to implement these suggestions.

5. UNHCR — United Nations High Commissioner for Refugees: Jointly keep the UNHCR under special observation as to that agency's policies and practices towards Burmese refugees. Deportations or "repatriations" to a country officially recognized by the UN as a gross violator of human rights should not be allowed under any circumstances. Instead, a dialogue with Thailand and other neighbouring countries on accepting Burmese as refugees until democracy in Burma has been restored should be pursued through the UN.

6. Action through other international non-governmental fora: Jointly take action in support of the democratization process in Burma in other international fora, such as Socialist International (our letter of 24 March 1995 refers—copy attached), the Council of Europe, the Inter-Parliamentary Union, the Intl. Confederation of Free Trade Unions, the European Trade Union Council, and so forth. Sincerely yours -/sd [signed:] Anton Johannsen, Danish Burma Committee, Copenhagen -/sd Tapani Oojasti, Finnish Burma Committee, Helsinki -/sd Jacob Asgeirsson, Icelandic Burma Committee, Reykjavik -/sd Hallvard K Kuly, Norwegian Burma Committee, Oslo -/sd Jan Hodann, Olof Palme International Center, Stockholm -/sd Bo Forsberg, DIAKONIA, Stockholm copy to: Ministries of Foreign Affairs Parliamentary leaders/ Foreign Affairs Committees

Burma: Authorities Respond to Criticism Over Nichols Affair

*BR0507072196 Copenhagen POLITIKEN in Danish
3 Jul 96 p 5*

[Report by Bertil Lintner: "The Military Junta Answers its Critics"]

[FBIS Translated Text] Bangkok — The Burmese military junta has launched a counterattack to the international criticism it has received since former Danish Consul Leo Nichols died in a Rangoon jail on 22 June. Without directly mentioning Nichols General Khin Nyunt, the head of Burma's feared secret police, called upon foreign "social and religious organizations" not "to meddle in Burma's internal affairs."

Monday's [1 July] edition of the state-controlled NEW LIGHT OF MYANMAR also contained an attack on democratic opposition leader and Nobel prize winner Aung San Suu Kyi. She was urged to leave the country "because she is married to a foreigner and could entice other Burmese women into following suit."

The attacks on the international community — and the country's democratic opposition — come at a time when friends and acquaintances of Nichols are planning another ceremony to commemorate the late consul.

Because Nichols was a Christian they will gather on Saturday [6 July] in the Anglican Church in Rangoon. The Danish and Swedish ambassadors in Bangkok will also be present.

It is still uncertain whether democratic opposition leader Aung San Suu Kyi will be present. She took part in the first Buddhist ceremony for Nichols last Friday [28 June]. According to sources close to Suu Kyi, it is said that the democratic leader will deliver her normal Saturday speech this week outside her home in Rangoon. It is reported that the police in Rangoon have been put on alert in case of any unrest. Last month a new law was introduced forbidding people from gathering in the streets. Those who take part in such meetings now risk up to 20 years in jail.

Cambodia

Cambodian Statement: 'Vertigo' Keeping Sihanouk From Returning Home

*BK0707091096 Hong Kong AFP in English
0625 GMT 7 Jul 96*

[FBIS Transcribed Text] PHNOM PENH, July 7 (AFP) — Ailing Cambodian King Norodom Sihanouk is unable to return home from treatment in China because he is suffering from "vertigo", according to a statement released by the palace Sunday.

"It is this new problem ... which does not permit me to fix a precise and unchangeable date for my return trip to Phnom Penh," a statement from the assistant director of the royal cabinet released by the palace, quoted the king as saying.

Rumors have been rife since last week that the 73-year-old king, seen by many as the only stabilizing force in Cambodia's turbulent political scene, would return this coming Tuesday — the day after Cambodia's bickering co-Prime Ministers leave the country for a conference in Japan.

Prince Norodom Ranariddh and Hun Sen will leave Monday for an international donor's conference in Tokyo — a situation that has prompted the hopes of some royalists that the king may try to attempt a political comeback.

But most analysts say the king, who has repeatedly stressed his aversion to returning to the political arena, would like to return when the premiers are out of the country, to reinforce his image of being above politics.

"It is no secret that he wants to come back at a time when he will be alone as a leader," said one western diplomat. "The only question is when will he do it, or rather, when will his health allow him to do it?"

The king has not been seen here since March, when he left for a state visit to France. He was recently diagnosed as having a brain lesion and has been undergoing treatment in the Chinese capital Beijing for that and a myriad of other ailments including diabetes, high-blood pressure and arteriosclerosis.

Several times he has expressed a desire to come home, as his mere presence would help cool down the dispute between the two main partners in the coalition government.

After announcing he would postpone much-needed eye surgery to come back and head off the potentially disastrous fight between the royalist FUNCINPEC (National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia) party and the formerly communist Cambodian People's Party (CPP), the king suffered a mild stroke which left him temporarily paralyzed and unable to travel.

He set another date for his return last month but abruptly cancelled it after a French magazine published a story that said CPP leader and second Prime Minister Hun Sen, once a bitter enemy of the king, did not want him to live in Cambodia.

Though Hun Sen immediately denied making any such comment, King Sihanouk said he would not return until the matter was clarified.

According to diplomats and sources close to the palace, the king was not satisfied until the co-premier asked him to preside at Cambodia's annual tree planting festival this week.

"This was accepted by the king as a proper expression of loyalty and something that would permit him to return without losing face," said one diplomat.

Shortly after the letter was written, the king's son, first Prime Minister Prince Ranariddh, hinted that his father would return soon.

On Saturday, the king said in a letter released by the palace that acting Head of State Chea Sim would represent him at a conference on ethnic minorities slated for July 18.

Cambodia: Khmer Rouge Attack, Damage Railway Line in Battambang

*BK0707092796 Phnom Penh National Radio of
Cambodia Network in Cambodian
0500 GMT 7 Jul 96*

[FBIS Translated Text] Police in Battambang Province have reported that Khmer Rouge rebels have intensified attacks with mines at the beginning of the first week in

July against a stretch of the railroad in Moung Russel District, southeast of the provincial town.

Railway officials in the province have confirmed that the rebels used mines to destroy the track after it had been repaired in a zone where progress has been made toward linking the railway line. The provincial police have also reported that the incident took place between 1 and 2 July at about 0140. The rebels sneaked in and planted eight home-made mines, which destroyed the rail track about two kilometers north of Phnum Thippadei on the border of Moung Russel and Sangke Districts causing serious damage to 100 meters of track.

Railway officials also confirmed that the area in which the Khmer Rouge carried out their mine attacks is approximately three kilometers from Svay Cheat in Sangke District where a police post protecting the railroad is located.

Another incident took place on the night of 1 July at 0100. Fifteen Khmer Rouge sneaked in to plant five mines at Ta Som, south of Prey Svay commune in Moung Russel District; 30 meters of track were damaged and have yet to be repaired. Battambang provincial railway officials also said that each mine that was used to destroy the rail track left a crater 0.7 meter wide.

Indonesia

Indonesia: Suharto Plays Golf Before Leaving for Europe

BK0707093296 Jakarta REPUBLIKA in Indonesian
7 Jul 96

[Unattributed report — received via Internet]

[FBIS Translated Excerpt] Jakarta — One day before he was scheduled to leave for medical checkup in Europe, President Suharto was seen playing nine-holes of golf at the Matoa Ciganjur golf course on 6 July. He played golf for two hours with businessman Mohamed "Bob" Hasan. The president seemed to enjoy his game very much.

The fact that Pak (Mister) Harto played one of his favorite sports seems to dispel people's doubts that his health is reportedly deteriorating. As reported earlier, the president is indeed scheduled to leave for Europe for a routine medical checkup. President Suharto and his small entourage — consisting of his children, presidential doctors, and administrative staff — are scheduled to leave Jakarta at 2200 West Indonesian Time (1500 GMT) this evening. As of last night, there was no information as to what type of aircraft would be used by the presidential entourage; nor is it clear to what country in Europe the head of state is headed.

What is certain is that the entourage will leave via Jakarta's Halim Perdanakusumah Airport. Due to the small entourage, it is most likely that the president will not use the DC-10 aircraft as he usually does when he travels overseas. [passage omitted]

Indonesia: Suharto Departs for 'Undisclosed' Location for Exam

BK0707151196 Hong Kong AFP in English
1506 GMT 7 Jul 96

[FBIS Transcribed Text] JAKARTA, July 7 (AFP) — Indonesian President Suharto left Sunday for an undisclosed destination in Europe for medical treatment, officials said here.

"The president's plane left a 9:00 p.m. (1400 GMT)," an airforce officer at the Operations Room of the Halim Perdanakusuma airbase said by telephone.

The officer, who declined to be identified, said that the president left on board a MD-11 aircraft of the national flagship carrier Garuda Indonesia.

He declined to give further details.

Indonesia: People in Suharto's Entourage Listed
BK0807015796 Jakarta REPUBLIKA in Indonesian
8 Jul 96

[Unattributed report — received via Internet]

[FBIS Translated Excerpt] Jakarta — President Suharto, accompanied by some of his children, left Halim Perdanakusuma Airport last night (7 July) for a European country for a medical checkup. The president, who was wearing a dark suit, left his residence on Cendana Road by car and arrived at the airport tarmac at 2100 West Indonesian Standard Time. Two minutes later, the head of state boarded an MD-11 aircraft. The Garuda Indonesia airliner took off at 2120 West Indonesian Standard Time.

Not all his children accompanied him in the flight for Europe. The president were accompanied by Siti Hardiyanti Indra Rukmana (Mbak Tutut), Sigit Haryoyudanto, Siti Heriyadi Prabowo (Titiek), and Siti Hutami Adiningsih (Mami). His grandsons — Ragowo Hedi Prasetyo (Titiek's son) and Wiratama (Mami's son) also accompanied him. Bambang Trihatmojo, Hutomo Mandala Putra, and his other grandchildren are scheduled to join him later during the checkup. However, it is not yet known when they will leave for Europe. President Suharto's aides-de-camp and the presidential medical team are also in the small delegation. Dr. Richard Paul, Dr. Hari Sabardi, and Dr.

Headarmin are among the members of the presidential medical team. [passage omitted]

Philippines

Philippines Official: Vietnam's APEC Entry Faces Snags

*BK0207080696 Manila BUSINESS WORLD
in English 28 Jun 96*

[Unattributed report — received via Internet]

[FBIS Transcribed Text] Vietnam's entry into the Asia Pacific Economic Cooperation (APEC) forum is not going to be an easy sailing for the Hanoi Government. Its fragile free-market reforms are expected to face bumpy roads when it starts integrating itself into the economies of the nascent economic grouping.

Antonio Baillio, senior deputy chairperson for APEC, said Vietnam might find it hard to blend into the APEC process because some adjustments will have to be made to align its current economic system into the grouping's agenda of liberalizing trade and investment over the next 25 years.

Vietnam has formally applied for membership in APEC last week. The Philippine Government, host and chair of this year's APEC leaders meeting, has expressed support for Vietnam's inclusion in light of Hanoi's membership in the Association of Southeast Asian Nations (ASEAN). Vietnam's entry, however, is subject to a consensus among the APEC members specifically on the lifting of membership moratorium this November. Although APEC officials are still divided over the lifting of the moratorium, a number of members have already expressed support to the inclusion of several economies seeking membership in the grouping.

Philippines: Senator Shahani Vies for Top UN Post

*BK0207082496 Manila MANILA BULLETIN
in English 2 Jul 96*

[Unattributed report — received via Internet]

[FBIS Transcribed Text] There is a strong possibility that the United Nations will have a new secretary general from Asia this December, it was reported yesterday.

This developed as the United States stood pat on its decision opposing a new term for the 73-year-old incumbent UN Secretary General Butrus Butrus-Ghali.

Malaysian Prime Minister Mahathir Mohamed also came out in the open against the extension of Butrus-Ghali's term, saying that he has been ineffective as UN secretary general.

Mahathir, however, did not name Malaysia's candidate for the post.

Diplomatic sources said that Senator Leticia R. Shahani, a former UN deputy secretary general, and UN High Commissioner for Refugees Sadako Ogata of Japan are considered strong contenders for the top UN post.

Earlier, the U.S. announced its "official and irreversible" decision to block another five-year term for Butrus-Ghali, stressing that a new leadership is needed at the world body. An Egyptian, Butrus-Ghali represents the African continent.

In an interview upon her arrival from Paris where she received the Legion of Honor award from French President Jacques Chirac, Shahani said she was honored to be among those being mentioned as possible candidate to head the UN.

Philippines: Assistance Pact Signed With Gambia

*BK0207102996 Manila BUSINESS WORLD
in English 2 Jul 96*

[Unattributed report — received via Internet]

[FBIS Transcribed Text] A memorandum of agreement was signed yesterday between the Department of Agriculture (DA) and its counterpart in Gambia which calls for Philippine technical assistance in several areas of agriculture.

A high level delegation from the republic, led by External Affairs Minister Baboucar Blaise Jagne, held a series of bilateral consultations with the country's agriculture officials for possible scientific and technical cooperation.

Based on the memorandum, the foreign delegation has asked the DA to assist their ministry counterpart in terms of technology transfer in the followings areas: improving rice and corn production; providing guidance for private sector and farmer collaboration in improved livestock production and management; enhancing improved small ruminant production; linkages and integration between the livestock and crop production systems; and improving fisheries production and development.

Thailand

Thailand: 'Failed' Border Meeting Prompts Tighter Security

*BK3006124996 Bangkok THAILAND TIMES
in English 30 Jun 96 p A2*

[Report by Atsawin Phinitwong]

[FBIS Transcribed Text] TAK — Security at the Burmese border opposite this province was reinforced

by the deployment of a new military division following the failed meeting of the Thai-Burmese Regional Border Committee (RBC).

It was reported that military division 101 commissioner Brig-Gen Sein Win yesterday officially received the new responsibility to monitor the situation in the Burmese border opposite Thailand's Tak province.

The Burmese military division 88 which specializes on development work has been completely replaced by the troops of Sein Win who yesterday inspected the areas along the Moei river and border roads.

At least three battalions of the Burmese military's special forces are expected to be stationed in the border opposite Tak's Umphang district. Two other battalions would also be placed opposite Tak's Tha Song Yang district to monitor movements of the Karen National Union.

The division 101's headquarters were reportedly set up at Bangkarn, about ten miles west of Myawadi township.

The RBC meeting of Burmese and Thai government officials held on June 18-21 in Phitsanulok province failed to reach any agreement on the territorial dispute over a controversial islet in Moei river. However, Thai customs and immigration officials stationed at the islet have been removed in response to Rangoon's demand.

A Thai border military source said Sein Win used to clash with Thais because of his allegations that the latter has been supporting the KNU which led to the death of many Burmese soldiers during battles between the Burmese government and the KNU.

Gunfire has often spilled into Thai territory because of this perception.

The source said Sein Win has and continues to be very angry with the KNU. It is believed that the current military shift is the product of Sein Win's maneuvers. He reportedly intended to take charge of the areas himself.

Thailand: PTT Seeks Entry Into Burma's Liberalized Oil Market

BK0107070696 Bangkok **BANGKOK POST**
in English 1 Jul 96 p 15

[Report by Bunsong Khositthothana]

[FBIS Transcribed Text] Burma has indicated it will liberalize its state-controlled retail oil market, paving way for the entry of foreign oil concerns including the Petroleum Authority of Thailand (PTT).

PTT governor Phala Sukkhwat said Burmese Energy Minister Khin Maung Thien has agreed in principle to liberalize the domestic oil market, long dominated by a few state enterprises which distribute low-quality products.

As well, the Burmese minister is quoted as agreeing that the PTT and its state oil agencies should jointly participate in developing retail oil networks in Burma.

Meanwhile, multinational oil companies are waiting to enter the Burmese oil market which is growing rapidly.

The PTT chief said a study would soon be made of how the Thai state oil firm could retail oil in partnership with Burmese state oil firms. The study is expected to be completed next year.

One report suggests the PTT plans initially to set up 19 standard-size service stations in Burma for almost 300 million baht.

Mr Phala noted poor road links in Burma could be a major hindrance to the development of oil networks, especially tanker services.

But Burma has no objection to the PTT's selling oil products in Burmese towns near the border with Thailand. Most of those towns rely on oil products from Thailand.

The PTT would soon distribute LPG (liquefied petroleum gas) in Burma as there were fewer restrictions on foreign enterprises becoming involved in this business than in oil sales Mr Phala said.

Thailand: EU Urged To Support Burmese Democracy Movement

BK3006142496 Bangkok **THE SUNDAY NATION**
in English 30 Jun 96 p A4

[Editorial: "High Time EU Supports the Burmese Struggle"]

[FBIS Transcribed Text] Today family and relatives of a former European honorary consul general and ardent pro-democracy supporter, who died last Saturday while under Burmese military imprisonment, will hold a memorial service in Australia. The ex-diplomat gave his life for Burma, the country he loved.

James Leander Nichols was arrested in April and sentenced to three years in jail just for owning two facsimile machines and a telephone without permission. For many Burmese, however, fax machines and telephones are modern comforts that have been made available to them by technological advancement. Ironically, for Nichols, it meant a jail sentence meted out by a repressive regime.

The Burmese pro-democracy movement and Western diplomats strongly believe that Nichols' arrest and incarceration were politically motivated.

Since the release last July of popular leader and Nobel Prize laureate Aung San Suu Kyi from six years of house arrest, the Burmese junta calling itself the State Law and Order Restoration Council (Slorc) has never ceased to take harsh measures and punitive actions to undermine her popular support and calls for democracy.

Despite Suu Kyi's open challenge against the regime, after her repeated pleas for dialogue had been rejected, Slorc has ignored her and instead concentrated on harassing her supporters and members of her National League for Democracy (NLD).

Nichols better known as Uncle Leo or simply Leo, is just the latest victim of the Burmese military regime which has ruled, as well as ruined, Burma without challenge since 1962. The godfather of Suu Kyi, Leo was her faithful and devoted friend and both met for breakfast every Friday morning.

While Nichols was not fanatically political, he had a dream for his country — the Burma he loved and was living in since June 1931. Through Suu Kyi, he saw hope for Burma and firmly believed that her determination and commitment to democracy would one day free the Burmese people.

Like Maung Phone Maw, a student of Rangoon Institute of Technology whose death on March 12, 1988 sparked off the nationwide prodemocracy uprisings, Nichols' untimely death in prison has turned him into another martyr for Burma's cause.

Last Thursday, Denmark — one of a few Nordic and European countries which Nichols had served as their diplomatic representative — initiated a call for European economic sanctions on Burma. Danish Foreign Minister Niels Helveg Petersen said Denmark had put sanctions against Burma on the agenda for the July 15 meeting of the European Union foreign ministers.

"We're ready to call for economic sanctions," he said after receiving full support from the Danish Parliament. Petersen said he also will discuss sanctions with the Clinton administration during a one-day visit to the United States on July 11.

Simultaneously, US congressmen and senators have in the past few months lobbied intensively for the passing of sanctions bill on Burma, much to the uneasiness of the Clinton administration which has not fully approved of the measure. Nichols' death would certainly increase support for the American bill.

Denmark along with Finland, Norway, Sweden and Switzerland which had protested against Slorc following Nichols' arrest in April have called for a formal explanation and an investigation into his death.

Not only does Slorc owe an explanation to these European nations, the military junta also has to officially apologise to Nichols' family as well as provide them with a full clarification of the circumstances leading to the former honorary consul's death.

Many questions beg to be answered. First and foremost, why was Nichols' next-of-kin not informed of his death in Insein jail? And why was the ex-diplomat given a low-profile quick funeral service at the Sawb-wagyi Christian Cemetery in the absence of his family members and his body buried so hurriedly?

Interestingly, the Danish initiative to push for EU sanctions on Burma on July 15 will coincide with the upcoming annual meeting of Asean foreign ministers.

For the first time, Slorc will be invited to attend the Asean Ministerial Meeting, to be held in Jakarta on July 19, as an observer — much to the opposition and disappointment of Burma's democracy movement which has over the past few years been urging the regional grouping to reconsider its relations with the dictatorial regime in Rangoon.

Slorc will also participate in the Asean Regional Forum where Asean foreign ministers currently discuss political and security affairs in the Asia-Pacific with their counterparts from the North such as Australia, Japan, the US and the European Union.

The EU, which has so far rendered only verbal support for democracy and human rights for the Burmese people and been virtually weak and inefficient in its past efforts to push for political change in Burma, now has an opportunity to prove its words with deeds.

Thailand: Repatriation of 4,200 Vietnamese Refugees Begins

*BK2906103796 Bangkok BANGKOK POST
in English 29 Jun 96 p 1*

[Unattributed Report]

[FBIS Transcribed Text] Nakhon Ratchasima — Some 5,000 police and defence volunteers were on the alert at a Vietnamese refugee camp here yesterday as work begins today on the repatriation of some 4,200 Vietnamese.

There are fears of possible resistance by some hard-core camp residents who do not want to return to Vietnam, according to local police sources.

The Sikhiu camp, which has provided shelter to Vietnamese refugees for the past 2 years, has been declared off limits to journalists.

Preparations are underway to clear the camp of its 4,242 inhabitants, a large number of whom are old people and children.

Thailand and Vietnam signed a memorandum of understanding last year to repatriate all the refugees at the camp when United Nations funding support ends tomorrow.

The sources said 127 hard-core leaders have been singled out by security officials as first repatriation targets.

The group, mostly former soldiers, do not want to return to their homeland and might offer resistance.

Four buses have been placed outside the camp and a C-130 plane has been put on standby at the local air base to fly this first group home.

It will probably take place soon after officials move into the camp early this morning.

A medical unit with four beds has been set up.

Assistant police chief Chumphon Atthasat arrived at the camp last night to oversee security. Guns and knives were seized during a recent search of the camp.

And some of the male refugees have been spotted engaged in regular exercise and arranging their own security surveillance inside the camp.

Sections of the fence around the camp have been torn down and barbed wire has been removed.

Reporters travelling to the camp yesterday were barred from reaching the 20-rai compound. They were stopped and asked to stay at local police security headquarters some 300 metres away.

The 4,242 Vietnamese refugees have been left at Sikhiu camp because they are ineligible for resettlement in the United States.

They are considered economic migrants rather than political refugees.

Some 35,000 boat people living in camps in Southeast Asia are being offered a new chance to apply for resettlement in the US.

The programme, known as Resettlement Opportunity for Vietnamese Returnees (ROVR), allows for people to be rescreened under broader criteria than in the first round of interviews which ended several years ago.

But to be eligible for the second round of interviews under the ROVR, they would have to apply for interviews by tomorrow.

The asylum seekers will be informed within 60 days of returning to Vietnam whether they qualify for the interviews which will mainly be conducted by US officials in Ho Chi Minh City.

At previous meetings with officials, many refugees at the camp have shown they are unhappy about having to return to Vietnam before they are accepted for resettlement.

Under a UN-endorsed Comprehensive Plan of Action adopted in 1989, first asylum camps were to be evacuated by December 31, 1995, with boat people either being resettled in third countries or being repatriated.

A meeting of the Steering Committee in Geneva earlier this year agreed that UN support for first asylum camps would stop tomorrow.

Thailand: Vietnamese Repatriation Tainted as Violence Flares

BK3006100896 Bangkok THE SUNDAY NATION in English 30 Jun 96 p A1

[Unattributed Report]

[FBIS Transcribed Text] Nakhon Ratchasima — Violence flared during the forced repatriation of Vietnamese refugees from a holding camp here yesterday with seven men knifing themselves to protest at the operation and others trying to burn down a shelter.

Despite a brief melee, 87 Vietnamese were flown to Ho Chi Minh City from the holding centre in Sikhiu district yesterday in a forced repatriation programme that will see all of the 12,000 remaining Vietnamese migrants in Thailand sent home by the end of the year.

The repatriation, implemented under an agreement reached by Thailand, Vietnam and the UN High Commissioner for Refugees (UNHCR) earlier this year, turned violent when seven men cut themselves with knives in protest as 1,000 police entered Sikhiu camp, home to 4,000 of the Vietnamese asylum-seekers.

The injured Vietnamese were treated at a local hospital. None were seriously hurt and most were discharged into police custody before being sent home.

Pol Maj Gen [Police Major General] Laemthong Yana-ubon, deputy commissioner of the Region 3 Police Bureau, said it took police 90 minutes to load 88 Vietnamese onto five buses and take them to the Nakhon Ratchasima military airport for the flight to Ho Chi Minh City early yesterday morning.

About 1,000 police armed with protective shields and batons, who had earlier moved into the camp, started closing in on the Vietnamese to round them up for the repatriation. Amid the confusion that ensued, many Vietnamese climbed onto the roof of their living quarters and threatened mass suicide if police did not stop the roundup. The seven men cut themselves in the arm and stomach when police charged the crowd.

Some Vietnamese tried to set fire to the living quarters, but police quickly extinguished the flames.

Damri Wathanasingha, deputy permanent secretary for the interior, said yesterday's forced repatriation was the first of the accelerated plan to send home all of the 12,000 Vietnamese still stranded in Thailand after the UNHCR denied them refugee status.

The deputy permanent secretary said that of the 12,000 Vietnamese asylum-seekers in Thailand, 8,000 had already agreed to go home under UNHCR-sponsored voluntary repatriation.

He said some of the Vietnamese opposed to repatriation claimed they feared persecution by the communist government when they arrived in Vietnam. Damri said their fear was unfounded because UNHCR officials in Vietnam will ensure their safety.

The UNHCR will today cease all funding for Vietnamese asylum-seekers in Thailand and other countries in the region, with the exception of Hong Kong.

The UNHCR, the Southeast Asian "first asylum" countries and Vietnam agreed at a meeting in Bangkok in January that the 20,000 Vietnamese asylum-seekers in camps in the region would be sent home by the end of June.

The Vietnamese at the Sikhiu camp have all been interviewed by UNHCR officials and judged to be economic migrants rather than genuine refugees.

Thailand: Lao Police Link Thai MP to Heroin Factory

*BK2906104096 Bangkok BANGKOK POST
in English 29 Jun 96 p 3*

[Unattributed Report]

[FBIS Transcribed Text] Chiang Mai — A coalition MP has been linked to a heroin plant in Laos that was raided in February, a source in the Narcotics Control Board said yesterday.

Lao drugs suppression police told the board's northern office that three men arrested in the raid said the MP invested 10 million baht in the 20-million-baht heroin and amphetamine plant.

The suspects, a Thai, a Lao and a Burmese, said a police officer and a tambon chief looked after the MP's interests in the plant in Bokeo province, opposite Chiang Khong, Chiang Rai.

Pol Col [Police Colonel] Kriangsak Phungphothisop, of Region 5, said a police colonel who is a close aide to the MP will be summoned for interrogation early in July.

Thailand: 'White Paper' Urges Japan To Increase Investment

*BK0107070996 Bangkok BANGKOK POST
in English 1 Jul 96 p 15*

[Report by Somphon Thapphanachai]

[FBIS Transcribed Text] Thailand wants Japanese investors to give it top priority when they move their factories to Southeast Asia.

The request forms part of a white paper drafted by both countries to boost their economic and political ties in the next five years. The third document of its kind since 1986, it will take effect next year.

Japan has been the biggest direct investor in Thailand since 1986, said a Commerce Ministry source, quoting the Board of Investment.

"Thailand wants to be the first choice for Japanese investment to create the strongest partnerships in the region," the board said in a report.

The ministry source said Thailand wanted Japan to increase investment in many sectors, especially supporting industries in which small and medium-size Japanese companies use specialised technology.

Thailand will give top preference to Japanese companies investing in zone three which includes the poorest rural provinces. Incentives offered include no limits on foreign equity and exports.

In addition, project applications from 14 supporting industries will be exempt from income tax for eight years if they are lodged this year.

These industries are: moulds and dies, jigs and fixtures, forging, casting with the use of induction furnace, tooling, cutting tools, grinding tools, sintered products, surface treatment, heat treatment, centres for precision machining, electronic connectors, parts from engineering plastic, nickel-cadmium batteries and rechargeable dry batteries.

Thailand wanted Japanese investment in the vehicle and related parts industries as part of its drive to become the automobile export hub of the region, the source said.

It wanted Japan to establish an automobile technology college to train workers and to set up a research and development institute.

The electrical appliance and electronics industries were also targeted for Japanese funding as Thailand wants to become a leading exporter of these products.

Thailand would create free trade zones to promote the electronics industry, the source said, adding the board has asked Japan to promote in-house and on-the-job training in joint ventures.

Japan was also being asked to expand its Green Aid Plan aimed at solving environmental problems caused by industrialization.

In 1994, the latest year for which figures are available, Japanese businesses sought board investment privileges for 1,530 projects worth a total of 591.57 billion baht, compared with 1,255 worth 278.79 billion baht in 1993.

Last year, the board approved incentives for 284 projects initiated by the Japanese. Their combined registered capital amounted to 20.2 billion baht.

Japanese investors ranked first in terms of the number of projects in operation in Thailand last year.

A survey by the Japanese Exim Bank ranked Thailand fifth among potential countries for Japanese investment abroad.

Early this year, the board organized a trip to Japan to persuade Japanese to invest in Thailand. A seminar in Osaka drew at least participants to discuss potential factory locations. Those expressing a willingness to move to Thailand were mainly small and medium-size businesses.

Thailand: Cabinet Approves 'in Principle' Money Laundering Bill

BK0307072796 Bangkok THE NATION in English
3 Jul 96 p 3

[Unattributed report]

[FBIS Transcribed Text] The Cabinet yesterday approved in principle a money laundering bill directed at drug related activities.

Prime Minister Banhan Sinlapa-acha said if the bill, which was drafted by the Office of the Narcotics Control Board (ONCB), covered other money laundering activities, it could be killed by its opponents.

Chaiyot Hemarachata, who heads the committee which drafted the bill, said it will now be submitted to the Council of State for consideration.

He said the committee at a later stage will consider the transaction amounts at which banks or financial institutions will be required to check on the source of the funds, and whether the bill should cover other illegal activities.

According to a survey conducted by the ONCB and Chulalongkorn University's Faculty of Economics, transactions of at least between Bt500,000 and Bt1 million should be checked, Chaiyot said.

However, he said the Land Department argued at the Cabinet meeting that suspected land transactions should be worth at least Bt5 million.

The ONCB told the meeting that the bill should cover only drug related money laundering, but Cabinet members said it should cover other activities including fraud, child prostitution, corruption and tax evasion, he said.

If the bill covers several other activities, it could be opposed. The ONCB believes that most money laundering activities are related to drugs," he said, adding, "But I feel relieved the Cabinet approved the bill in principle."

He said certain Cabinet ministers were worried that if other activities were included in the bill politics could become involved, resulting in the bill being killed in Parliament.

A Cabinet statement said that under the bill, an agency supervised by the Finance Ministry will be established to handle money laundering cases.

People who want to transfer money or do any other deals with financial institutions in amounts exceeding the proposed limit will have to submit a written statement detailing the activities.

Chaiyot admitted that the bill will breach people's privacy rights but said the country needed an anti-money laundering law. He claimed the law will help the economy more than harm it.

England, the United States, Canada, France and Japan have such a law," he noted.

Under the bill, if of finials empowered to deal with money laundering are found to be involved in the activity, they will face punishment three times more severe than those laundering the funds.

Thailand: Editorial Warns Government Against Worsening Economy

BK3006075096 Bangkok NAE0 NA in Thai
29 Jun 96 p 3

[Editorial: "Stability?"]

[FBIS Translated Text] As anticipated by many, the leaders of the six coalition parties eventually decided during their meeting yesterday to officially invite the Prachakon Thai Party to rejoin the government. During the meeting, the six parties also adopted a resolution to be united for the stability of the coalition government and pledged to keep their members highly disciplined.

There are apparently three objectives of the said resolution as follows: The attempt to find the least objectionable excuse for the Prachakon Thai Party to return to the coalition. In particular, it is necessary to save Samak Suntharawat's face who usually publicly condemns others for their failure to honor their word. The return of the Prachakon Thai Party will also enable it complete unfinished work such as the Don Muang Tollway and the Port Authority of Thailand investment projects. Several leading members of the party such as Chaiphak Siriwat were seen walking in and out of Government House with smiling faces.

Secondly, the resolution is intended to be a warning to Police Lieutenant Colonel Thaksin Chinnawat and his Phalang Tham Party to stop citing popular demand to justify the party's deviating line. In the house's no-confidence debate scheduled to take place next month, the Phalang Tham Party is required to strictly comply with the common stand adopted by the coalition partners. The problem now is whether it will be able to do that.

Thirdly, the pledge of alliance the seven parties made when they first formed the coalition was not honored. As a result, the government felt insecure about the supporting votes in the house from the coalition parties. The resolution adopted by the six parties is therefore designed to further strengthen that pledge.

Considering the number of votes under its command in the house, the government appears stable enough to continue administering the country. However, the overall impression is that the government is eager to do anything to secure its stability while little attention is being paid to the worsening economy, which, in fact, is the most powerful catalyst diluting its stability for the time being.

Vietnam

SRV: Le Duc Anh Sends Greetings to President Clinton on 4 Jul

BK0507003096 Hanoi VNA in English
1219 GMT 4 Jul 96

[FBIS Transcribed Text] Hanoi VNA July 4 — President Le Duc Anh has sent a message of greetings to President Bill Clinton on the occasion of the 220th independence day of the United States of America today.

Foreign Minister Nguyen Manh Cam has also sent a similar message to his US counterpart Warren Christopher.

A get-together was held on this occasion by the Union of Friendship Organisations of Can Tho Province in the Mekong Delta.

SRV: Australian Foreign Minister Arrives for Visit 4 Jul

BK0407132396 Hanoi Voice of Vietnam in English
1000 GMT 4 Jul 96

[FBIS Transcribed Text] The Australian foreign minister, Mr. Alexander Downer, started a two-day Vietnam visit on Thursday. It is the first visit by the Australian foreign minister to Vietnam since the election of the new Australian Government in March this year.

While here, the Australian minister is to discuss a wide range of bilateral, regional, and multilateral issues to promote bilateral relations between the two countries.

SRV: Foreign Minister Welcomes Australian Counterpart

BK0407155096 Hanoi VNA in English
1512 GMT 4 Jul 96

[FBIS Transcribed Text] Hanoi VNA July 4 — Australian Foreign Minister, the Hon Alexander Downer arrived here today for a two-day official visit, the first since March this year when he was appointed to the post.

A welcome ceremony was held at the government's guest house here this evening in the presence of Mr Nguyen Manh Cam and other senior officials.

Australia currently ranks eighth among foreign investors in Vietnam with 58 projects capitalised at USD 870 million.

Mr Downer's visit aims at summing up the cooperative ties between Australia and Vietnam in the past years and discussing measures to spur these ties.

At the ceremony, both foreign ministers expressed wishes to develop the Vietnamese-Australian cooperative and friendly ties commensurate with each country's potential and interests, thus contributing to peace, stability and development in the region.

Later the day, Mr. A. Downer and his party were feted by F.M. Nguyen Manh Cam.

SRV: Nation's Trade Volume Reportedly Reaches \$7.87 Billion

BK0507012096 Hanoi VNA in English
1225 GMT 4 Jul 96

[FBIS Transcribed Text] Hanoi VNA July 4 — Vietnam recorded a total import-export value of USD 7.87 billion by the end of June, with imports accounting for almost USD 5 billion and exports for just over USD 3 billion, marking rises of 29 and 16.5 percent respectively from the same period last year. The trade deficit for the first half grew to USD 1.77 billion.

Goods worth USD 3.3 billion passed through Ho Chi Minh City's ports, up 33 percent from the corresponding period last year. Exports reached USD 1.69 billion, a jump of 44.8 percent over the first half of last year.

The country's main export items included crude oil, garments, rice, coffee, aquatic produce, rubber and cashews which all topped the USD 100 million mark. Garment exports hit a whopping USD 350 million, recording the highest growth at 32 percent. The industry is on track to turn out USD 850-USD 900 million in exports.

The value of imports grew 29 percent over last year's first half to almost USD 5 billion. Cement, petroleum, fertiliser, steel, sugar and production materials led the way with commodity imports accounting for only 11.4 percent.

In Ho Chi Minh City, centrally governed businesses exported USD 1.13 billion, or 71 percent of the city's exports, while local businesses recorded USD 455 million in exports.

Industrial goods exports grew to more than USD 1 billion, while agricultural produce hit 394.3 million and aquatic produce passed 93.9 million. Garments led the field, growing 77 percent over the first-half of last year, aquatic produce rose 64.6 percent rice, 59 percent and pepper, 54.6 percent.

The city's import value was roughly USD 100 million higher than exports, with production materials making up 71 percent, a 56 percent increase. Consumer goods import fell off, including monosodium glutamate televisions and washing machines.

SRV: Do Muoi Receives FUNCINPEC Delegation to Party Congress

BK0307114196 Hanoi Voice of Vietnam Network
in Vietnamese 1100 GMT 2 Jul 96

[FBIS Translated Text] Party General Secretary Do Muoi on 28 June cordially received a delegation of the FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] Party — led by his excellency Chhim Siekleng — to the eighth congress of the Communist Party of Vietnam.

His excellency Chhim Siekleng passed on a message of thanks from his party chairman, Prince Ranariddh — Cambodia's first prime minister — to our party for inviting the FUNCINPEC delegation to attend the congress.

His excellency the chief delegate warmly welcomed the new significant achievements of the Vietnamese people in the renovation process, and expressed his admiration for and belief that the Vietnamese people will successfully implement the resolution of the eighth congress of the Communist party of Vietnam.

On behalf of our party, General Secretary Do Muoi thanked the FUNCINPEC party for sending a delegation to attend the congress. He also thanked the chief delegate for expressing his fine sentiments toward the communist party of Vietnam, as well as for the close neighborly relationship between Vietnam and Cambodia, regarding this as a great source of encouragement that would contribute to the success of the Eighth Party Congress.

General Secretary Do Muoi highly valued the many important achievements recorded by the Cambodian people in the recent past under the leadership of King Sihanouk and the Royal Coalition Government of Cambodia with the FUNCINPEC and the Cambodian People's Parties at the core. He hailed the peaceful, independent, unified, neutral, and nonaligned policy of Cambodia and its friendship with all countries, and asserted the consistent policy of the party and state of Vietnam to consolidate and develop its friendly and neighborly relationship with the Kingdom of Cambodia for the cause of the two peoples and in the interests of peace, stability, cooperation, and prosperity in the region and the world.

Also present at the reception was Comrade Do Van Tai, deputy head of the party Central Committee's External Relations Department, and Vietnamese Ambassador to Cambodia Tran Huy Chuong.

SRV: Do Muoi Receives Cuban Delegation to 8th Party Congress

BK0307114896 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 2 Jul 96

[FBIS Translated Text] Party General Secretary Do Muoi on 2 July received a delegation of the Communist Party of Cuba headed by Comrade Rose Ramon Balaguer, member of the Political Bureau in charge of ideological and foreign relations affairs. The delegation was here to attend the eighth congress of the Communist Party of Vietnam.

Comrade Do Muoi hailed and thanked the Communist Party of Cuba and Comrade Fidel Castro for sending a high-level delegation to the congress. He thanked Comrade Balaguer for speaking highly about the party and people of Vietnam, and the renovation process. He expressed hope that traditional relations — inherently bound together in the two countries' struggle for national construction and defense — between the two parties and countries will be increasingly strengthened and consolidated.

He expressed his belief in the invincible cause of the Cuban people and noted with joy that Cuba's 1995-96 economic growth was very encouraging.

He asked the delegation to pass on his best regards and his good health wishes to Comrade Fidel Castro and other leading comrades of the party and state of Cuba.

Comrade Balaguer said it was an honor to attend the eighth congress of the Communist party of Vietnam, an important event for the Vietnamese people.

The comrade expressed joy over Vietnam's growth thanks to the correct lines of the Communist Party of Vietnam in the renovation process. He believed that all the goals and resolutions of the congress will certainly win the sympathy and support of the people, and that Vietnam's cause of national construction and defense — whose purposes is to build a prosperous people, a powerful country, and an equitable and civilized society — will certainly be crowned with new successes.

The comrade said: Despite numerous difficulties, the Cuban revolution will certainly be able to move forward to building socialism successfully on the beautiful island of Jose Marti and Cuba.

The comrade sincerely thanked Vietnam for reserving for the Cuban people its valuable and effective moral and material support and assistance despite Vietnam's continuing difficult situation.

He wished that relations between the two parties and countries would continue to develop well.

Also present at the reception was Comrade Do Van Tai, deputy head of the party Central Committee's External Relations Committee; Vietnamese Ambassador to Cuba Le Duc Cang, and Cuban Ambassador to Vietnam Tania Maceira Delgado.

While attending the congress, Comrade Jose Ramon Balaguer also had a working session with Comrade Nguyen Duc Binh, member of the Political Bureau. Both sides informed each other about the situation in their respective party and country, and exchanged views on measures to revamp bilateral relations between the two parties.

SRV: Party Chief Do Muoi Receives Cambodian Guests

BK0307100996 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 2 Jul 96

[FBIS Translated Text] At the invitation of our Party Central Committee, the delegation of the Cambodian People's Party led by His Excellency Samdec Chea Sim, president of the party and Cambodian Parliament chairman, arrived to participate in the Eighth National Party Congress of the Communist Party of Vietnam [CPV].

During the Cambodian People's Party delegation's attendance at the Eighth National Party Congress, Party General Secretary Do Muoi warmly received His Excellency Samdec Chea Sim and other members of the delegation including: His Excellency Samdec Heng Samrin, honorary president of the party; His Excellency Sin Song, member of the Political Bureau Standing Board; His Excellency Chey Sen, member of Party Central Committee and head of Central Committee's External Relations Department; and His Excellency Meas Sip, ambassador of the Kingdom of Cambodia to Vietnam.

Party General Secretary Do Muoi received the guests together with the following comrades: Le Duc Anh, Party Central Committee Political Bureau member; Nguyen Manh Cam, Party Central Committee Political Bureau member; Do Van Tai, deputy director of the Central Committee Planning Department; and Tran Huy Chuong, our ambassador to Cambodia.

Comrade Party General Secretary Do Muoi expressed his delight in witnessing encouraging changes in Cambodia over the past several years under the leadership of King Sihanouk and the Cambodian royal coalition government in which the Cambodian People's Party and the FUNCINPEC (National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia) are major components. Vietnamese-Cambodian relations and relations between the two parties have continued to be preserved and developed, which responds to

the aspirations and interests of both peoples of the two countries, and also to the general development trends of the region and the world.

Comrade Do Muoi expressed his wish that the Cambodian people would be successful in building a peaceful, independent, unified, neutral, and non-aligned Cambodia, which has friendly relations with all countries especially with neighboring ones. He asked the delegation to convey his regards and good health wishes to Cambodian King Sihanouk, the queen, and other leaders of the Cambodian People's Party.

His Excellency Samdec Chea Sim expressed his pleasure at this visit, highly valued the important achievements that the communist party and the people of Vietnam have gained in the renovation undertaking, and believed that the party, government, and people of Vietnam will score even greater achievements in the process of implementing the resolution of the Eighth National Party Congress of the CPV. His Excellency Samdec Chea Sim expressed his profound thanks and deep gratitude for the great assistance of the CPV, the government, army, and the people of Vietnam to the Cambodian people during the struggle to liberate the country from genocide as well as in the rehabilitation of the Cambodian country. He believed that relations between the two parties and two peoples would continue to be consolidated and developed in the interests of the two peoples, and for peace, stability, and development in the region. His Excellency Samdec Chea Sim also conveyed good health wishes to other CPV leaders.

SRV: Do Muoi Receives Cuban Party Delegation

*BK0307071796 Hanoi VNA in English
0603 GMT 3 Jul 96*

[FBIS Transcribed Text] Hanoi VNA July 2 — General Secretary of the Communist Party of Vietnam Do Muoi received the delegation of the Communist Party of Cuba (CPC) led by Mr. J.R. Balaguer, Politburo member in charge of external relations and ideology of the CPC, who just attended the Eighth National Congress of the Communist Party of Vietnam.

Speaking to the Cuban guests, Mr. Do Muoi said he hoped the traditional and fraternal ties between the two countries during the past national construction and defence would be promoted and consolidated.

He expressed his confidence in the invincible cause of the Cuban revolution and his pleasure to see encouraging results of Cuba's economic development in the 1993-1996 period.

Mr. Balaguer said he believed that the targets and resolutions worked out by the Eighth Party Congress

would receive support from the Vietnamese people and gain successful results.

He affirmed that despite many difficulties, the Cuban revolution would continue pursuing its path of successfully building Cuba into a socialist country.

The Cuban guests also took this occasion to express thanks to the Vietnamese people for their precious and effective assistance and support to the Cuban people.

While here, Mr. Balaguer also had a working session with Mr. Nguyen Duc Binh, Politburo member of the CPV, during which the two sides spoke of the situation of their respective parties and discussed measures to promote bilateral cooperation between the two parties.

Also today, the Cuban delegation called at Vietnam News Agency where it met with VNA officials who attended a briefing on the results of the Eighth National Congress of the party.

SRV: Foreign Delegates' Speeches at Party Congress Reported

*BK0207142996 Hanoi Voice of Vietnam in English
1000 GMT 30 Jun 96*

[FBIS Transcribed Text] Many foreign delegations to the current Eighth National Party Congress of the Communist Party of Vietnam delivered their welcoming speeches on Saturday.

In his speech, the head delegate of the Japanese Communist Party said: [Begin recording in Japanese fading into English translation] The Japanese Communist Party always wishes to continue strengthening and developing relations with the Communist Party of Vietnam which has long been cultivated through the protracted resistance war of the Vietnamese people against the U.S. aggressors. The Japanese Communist Party is convinced that the friendship between the peoples of Japan and Vietnam on the basis of independence, equality, and mutual benefit will be further developed. The tasks defined by the eighth congress at the current complicated situation are difficult and challenging, but there are encouraging prospects. [end recording]

For his part, Mr. Chhim Siekleng, deputy secretary general of the FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] party of Cambodia praised the leadership of the Communist Party of Vietnam and the policy the party pursues as correct and suitable to the real situation. Mention should be given to the great achievements recorded by the Vietnamese people including political stability, maintenance of security and social order, preservation of traditions, and defense of sovereignty

and territorial integrity, and constant economic growth. These are proofs affirming that the political program defined by the congress of the Communist Party of Vietnam is correct, suitable to the real situation, and meets the sacred aspiration of the Vietnamese people. It is an expression of the clear-sighted leadership of the Communist Party of Vietnam. Mr. Chhim Siekleng also highly appraised the great victory very significant to the Vietnamese people in the renewal process. He said the FUNCINPEC party believes that with traditional relations and close cooperation between the Communist Party of Vietnam and Cambodian party, all pending issues will be solved through peaceful negotiations.

In his speech, the head delegate of the Korean Workers Party, Mr. Hwang Chang-yop said that Vietnam has stepped up its struggle for socialist defense and construction suitable to the real situation of the country and has recorded great achievements. He said: [Begin recording in Korean fading into English translation] Vietnam's stability and great achievements recorded during the process of socialist construction are inseparable from the leadership of the Communist Party of Vietnam — the party that has undergone many trials of the protracted revolutionary struggle and has enhanced its prestige among Vietnamese people. [end recording]

In his greetings, Mr. Jarvis Tyner, vice chairman of the Communist Party of U.S.A and head of the delegation to this congress said: [Begin recording in English] Your party has always been a great inspiration to us. We can never forget the great working relationship we maintained during the long and hard struggle against U.S. aggression. We want you to know, comrades, that during that war, even at the most difficult time, we never lost our confidence that peace between our two nations could be won. We knew that the majority of our people — the American people — will eventually reject the criminal war and take action for peace. We also knew that the heroic people of Vietnam, under the wise leadership of the then Vietnam Workers Party would never forget what Ho Chi Minh said, that there is nothing more precious than independence and freedom. The close ties between our parties were not merely ceremonial, but a concrete and collective expression of international solidarity in defense of the best interests of both of our peoples. [end recording]

SRV: More Foreign Delegates Address Party Congress

BK0307162896 Hanoi VNA in English
 1420 GMT 3 Jul 96

[FBIS Transcribed Text] Hanoi VNA July 3 — Addressing the Eighth National Congress of the Communist Party of Vietnam last week, Sharif Ali Michael,

head of the delegation of the Palestine Liberation Organization (PLO), expressed pleasure to come to Vietnam to: 'witness the development created by a policy of renovation and promote our close historical relations.'

'The Palestine leadership admires Vietnam for its overcoming the consequences of war and damage caused by aggressors in the past liberation war. And, we [words indistinct] to take part in the congresses of the Communist Party of Vietnam (CPV) in order to draw valuable and diverse lessons, and to work together for closer Vietnam-Palestine ties,' he said.

Michael, who is also executive member of the Faiah and cabinet minister of the State of Palestine, told the congress, 'We are proud of Vietnam's achievements in the fields of infrastructure construction, economy, security and international relations. The policies of the CPV have brought about profound changes in different aspects of life.'

'We are convinced that the outcome of this congress will make a qualitative leap, improving and raising the living standard of the Vietnamese people,' he added.

Welcoming the CPV congress, [word indistinct] Abdul Karim Chealb, Politburo member of the Lebanese Communist Party (LCP) and head of the LCP delegation, said:

'Despite changes we have seen following the collapse of the Soviet Union and other socialist countries in eastern and central Europe, your party continues to grow. This is an eloquent manifestation of your party's capacity to tackle changes at home, in the region and the world over while at the same time, preserving the identity of revolution both theoretically and practically.'

'We highly appreciate your great efforts to cope with new challenges your party and people are facing and believe that your congress will create steps of positive movement along such direction.'

In his address, Solly S.S. Zwane, head of the African National Congress (ANC) delegation, said: 'We will never forget the support we have enjoyed from the Communist Party of Vietnam and will always maintain our historical relationship.'

'Our country has begun to see signs of progress in economic growth and development. These achievements recorded by the ANC are also attributed to your support,' he stressed, adding: 'Allow us to express our special respect for all courageous fighters in your struggle, including the late President Ho Chi Minh, a fighter of our struggle, a fighter of the people.'

From Nicaragua, Victor Hugo Tinoco Fonseca, member of the national leadership and secretary of the Cen-

tral Committee of the Sandino Liberation Front Party (FSLN) is charge of external relations, addressed the congress, saying:

'Speaking about Vietnam is to speak of self-respect, the cause for national defence before strong enemies of the world and the will to fight the imperialist forces' policies and actions and also of equality and social justice.

'In those glorious decades, your brave struggle had increased the fighting spirit and enthusiasm of tens of thousands of revolutionaries and patriots the world over.

'Since the mid-1980s, the communist party and people of Vietnam have been striving to cope with crucial challenges facing all our nations at the end of the 20th century and the beginning of the next century.'

He also said: 'Under the leadership of the CPV, the Vietnamese people are resolved to accelerate the process of renovation, to find harmony between the laws of a market economy and individual and collective economic benefits, and social equality in the context of high competition and demands.'

Addressing the congress, Aldo Rebelo, Politburo member of the Communist Party of Brazil (CPB), said 'The CPB has kept a close eye on Vietnam's political, economic and social developments. Participating in the Eighth CPV Congress, we rejoice at the tremendous achievements the Vietnamese working people have posted under the guidance of the CPV. The rapid steps aimed at spurring economic development and social changes we have seen in Vietnam are an encouragement to the communist party and people of Brazil. This demonstrates the epochal character, indispensability and vitality of socialism in the present era.'

'Though far away geographically, the people of Brazil and Vietnam are always brothers in the struggle for our lofty ideal of democracy, independence and social progress,' he stressed.

For his part, Jorge Insulza, Politburo member of the Communist Party of Chile (CPC), said, 'We are delighted to see that the CPV continues persisting firmly in its path towards socialism and has conditions to defend national independence. In addition it enjoys the people's confidence, and this means your cause is built on a firm foundation of the people for the people and by the people. This is what we have also found elsewhere, also in our continent, in Cuba where the revolution is always strong with the support of the people in the struggle against the permanence of aggression of imperialism.'

The head of the Farabundo Marti National Liberation Front Party of El Salvador, Mr Roberto Lorenzana Duran, said:

'The Vietnamese people's revolutionary experiences are one of the biggest heritages of the world political forces who are struggling to overthrow capitalism.'

He stressed, 'Our party members admire this revolutionary school and they are aware that Vietnam is an extraordinary, unmatched nation. Today, in the last years of the 20th century, your party congress will again introduce lessons to all nations and parties in the political, economic and social sectors, and also invaluable instruments for the process of revolutionary reforms.

'Though we are geographically apart from each other, we are still very close to each other in our hearts and minds,' Victor Kol, Politburo member and head delegate of the Communist Party of Argentina, told the congress.

'It reminded us of the days when the Argentinian people, in their solidarity with Vietnam, granted their modest assistance to the Vietnamese people in their glorious struggle against the US aggression, the greatest enemy of mankind, who had waged one of the most devastating wars in the history of mankind in Vietnam.

Today, we are happy to be here to attend the Eight Congress of the CPV, the party founded by late President Ho Chi Minh. The CPV is also the party that led the Vietnamese people during their past extremely severe and prolonged wars to obtain their goals of national liberation and unification, and now is leading the country in its current renovation process on the way to socialism.'

SRV: German, Bulgarian Delegates Address Party Congress

BK0307074296 Hanoi VNA in English
0551 GMT 3 Jul 96

[FBIS Transcribed Text] Hanoi July 2 — Addressing the just-ended Eighth National Congress of the Communist Party of Vietnam (CPV), Heinz Stehr, president of the German Communist Party (DKP) and head of the DKP delegation to the CPV congress, said:

'Today in our country, President Ho Chi Minh remains a symbol for revolutionary actions and ways of thinking and for communist leaders who have changed the world in our times.'

He told the congress that Vietnam's continuation of a socialist-oriented path in the complicated situation following the break-up of socialism in Europe has brought about optimism and confidence.

'We thank male and female party members, the Vietnamese people and Communist Party for what they have done over the past decades, which are an example for our struggle,' he added.

Taking the floor, Andre Brie, head of the German Socialist Democratic Party (SDP), who is also standing board member of the SDP central committee and chairman of the fundamental principles committee, said 'Vietnam is a country which all SDP members have felt very close to. This tradition has been and will continue to be alive.'

In a welcoming speech, Ianaky Stoilov, vice president of the Bulgarian Socialist Party (BSP), said: 'The BSP has followed with keen interest the dynamic development of the Socialist Republic of Vietnam. We rejoice at the impressive achievements Vietnam has recorded mainly due to its own model characterized by the combination of reforms and the country's historical traditions.'

'Vietnam's closer cooperation with other countries in the Asia-Pacific region and Bulgaria's Europe orientation do not exclude one another, but rather have complemented each other for further development in our traditional ties,' he stressed, adding 'in the future, the BSP will always be ready to consolidate and develop cooperation between our two peoples and countries.'

Speaking to the congress, Olivieri Diliberto, member of the leadership and secretary of the central committee of the Communist Party Refoundation of Italy (CPRI), said:

'The tradition of an age-old and important fraternal relationship between the communists of Italy and Vietnam should be preserved and strengthened. In Italy, your party and country have a great reputation and importance as vivid symbols of the heroic struggle for liberation and the victory over imperialism which remain until now a lesson for all of us.'

He added 'We are convinced that the relations between Italy and Vietnam, through our activities in the Italian parliament, should be promoted to help spur development of the new economic process you have decided for your country and we have followed with respect and admiration.'

For her part, Mrs A. Brendt, member of the Swedish Social Democratic Party (SSDP) said 'the close sentiment between our peoples and movements is a valuable asset that we have to develop and add with a dynamic content. As a matter of fact, the relationship between Vietnam and Sweden has been constitutionalized widely at the state level since 1975. This is very necessary and effective.'

'Many people have built a firm bridge between Vietnam and Sweden. In the present-day world characterized by rapid changes, the Vietnam-Sweden bilateral relations are no less important. Both our countries will have to seek new roles through the integration in Southeast Asia and Europe in the economic, social and political sectors,' he further said.

Head delegate of the Communist Party of Greece (CPG), N. Batistatos, said 'The communists and progressive people of Greece have followed with concern the efforts made by the Communist Party and people of Vietnam to develop and modernize productive forces in your country. We are fully aware of the difficulties you are facing but we are confident that your people, who won victory in the anti-us imperialist armed struggle..., will gain success in the peace time in order to stabilize your choice of socialism and prevent any directions contrary to it.'

Fernando Blanqui Teixeira, secretary of the central committee of the Portuguese Communist Party (PCP) addressed the congress, saying 'The Communist Party of Vietnam has the right to enjoy the respect of all communists, working people and people the world over.'

'Regardless of a declaration of imperialism on the termination of communism some years ago, the communist ideal has remained alive as today, there remain countries like Vietnam which is persisting in the policy of socialism. There have remained important political forces in all continents that are looking towards the building of a new society without the exploitation of men by men as a inevitable goal of human civilization.'

SRV: Belarus, Indian Delegates Praise CPV at Congress

BK0207094896 Hanoi VNA in English
0541 GMT 2 Jul 96

[FBIS Transcribed Text] Hanoi VNA July 1 — The heads of the delegations from the Belarus Communist Party and the Communist Party of India (CPI) have delivered speeches at the current Eighth National Congress of the Communist Party of Vietnam.

In his speech, Akinchits Ivan Ivanovich, Politburo member and first secretary of the Central Committee of the Belarus Communist Party in charge of ideological and theoretical work, said:

'We note with great joy that the Communist Party of Vietnam in the past years has recorded great achievements in your efforts to overcome a socio-economic crisis and improving the life of broad masses and of the labouring people. We believe strongly that in the

plans you have mapped out Vietnam will become an industrial country in [words indistinct] developed material and technological basis and an optimal economic mechanism. You have both the moral and material potential for the completion of this task'.

For his part, A. B. Bardhan, deputy general secretary of the Communist Party of India, said: 'Under your leadership Vietnam is firmly advancing towards socialist and many good results have been obtained for the new policies adopted by your seventh congress which were designed to develop the economy and society in a comprehensive manner, develop a mixed economy by encouraging domestic resources while opening up the country for the participation of foreign countries and making use of market forces under the guidance of the state. This is opening the way towards a modern, wealthy socialist Vietnam.

SRV: Party's Role in 8th Congress Resolutions Streamed

BK0307152996 Hanoi Voice of Vietnam Network in Vietnamese 2300 GMT 1 Jul 96

[Excerpt of 2 July NHAN DAN editorial: "Firmly Grasping Opportunities, Overcoming Challenges, and Being Determined To Successfully Carry out Eighth National Party Congress Resolutions"]

[FBIS Translated Text] After 10 years of renovation, our country has extricated itself from the severe and prolonged socioeconomic crisis which lasted for more than 15 years. Although some areas are not really firm as yet, we have created the necessary requisites to move into a new developing period for the acceleration of national industrialization and modernization. This is the very important conclusion of the Eighth National Party Congress, whose foremost significance is in outlining directions and tasks until the year 2000 and even for the next few decades.

The goal of industrialization and modernization is to change our nation into an industrialized country with a modern material and technological foundation, a reasonable economy, and with progressive production relations that matches with the development level of the production force. It is also to give our people a high material and spiritual life, and our country a steadfast national defense and security. Also, it is to make our population prosperous, our country powerful, and to build an equitable society for the successful construction of socialism.

Upon this foundation and direction, the Eighth National Party Congress has decided to make our country industrialized by the year 2020. Therefore, the period from now till the year 2000 is a very important step in the

comprehensive acceleration of the renovation. It is also an important step for the continued development of the multi-sector commodity market economy that is state-managed along socialist lines. We will strive to attain or to overfulfill the outlined goals of rapid economic development, and settle pressing cultural and social issues. We have to pay attention to human resource development, institute social justice, ensure national defense and security, improve the people's lives, and increase domestic savings, and attract foreign capital. This is to create a strong foundation for rapid development early in the next century.

National construction and defense is always linked with party leadership. In our country, if there were no communist party leadership there would be no national independence; no people's right to mastery; no government of the people, by the people, and for the people; no social justice; and no socialism.

The core duty is to make the party increasingly stronger in politics, ideology, and organization, especially at present as the country enters a new development period. The party must firmly maintain and strengthen its workers' class nature, which is manifested in its socialist goals and ideals; its ideological foundation that is Marxist-Leninism and Ho Chi Minh thought; its democratic centralism principle; its political stance and personnel management; its close ties with the people and the nation, and its correct combination of genuine patriotism with the internationalism of the workers.

In the current situation, we must pay attention to education and to the upgrading of political attitudes, revolutionary quality, and the intellect of cadres and members. Cadres and members must preserve their morals, be diligent, frugal, and must be honest, and uphold righteousness and have a healthy lifestyle, a good sense of organization and discipline, and be close to the people. They must not succumb to bureaucratism and corruption. They must be determined to fight those evils. They must also be resolved to continually obtain knowledge.

Revolution is the cause of the people. The strength of the great national unity, which includes the Vietnamese people living overseas, under party leadership is the invincible force that has created numerous victories at various stages of our revolution. The tenet of unity, unity, and unity and success, success, and great success is a precious and historic lesson and the glorious historical tradition of our party, formed and forged by President Ho Chi Minh. Party committees at all levels must pay particular attention to public motivation. They must firmly strengthen the great national unity, and motivate the entire party, army, and people to firmly grasp

opportunities, overcome challenges, accelerate industrialization and modernization, and successfully carry out the resolutions of the Eighth National Party Congress to build a prosperous population, powerful nation, and equitable and civilized society along socialist lines.

SRV: 'Grand Meeting' Marks Close of Eighth Party Congress

*BK0207080196 Hanoi VNA in English
0704 GMT 2 Jul 96*

[FBIS Transcribed Text] Hanoi VNA July 2 — A grand meeting was held here last night to celebrate the success of the Eighth National Congress of the Communist Party of Vietnam which concluded yesterday afternoon.

Present at the meeting were Do Muoi, who was re-elected party general secretary at the congress, Le Duc Anh, state president and standing member of the Political Bureau, Le Xuan Tung, Politburo member and secretary of Hanoi municipal party committee and other members of the newly-elected Political Bureau and Central Committee, together with thousands of people.

Speaking at the meeting, Secretary Le Xuan Tung pointed out that the eighth congress was a great landmark in the party's history, opening a new period for the nation in the road to achieve the aim of 'a prosperous people, a strong country and a fair and civilized society'.

General Secretary Do Muoi took the floor to praise the Hanoi people's achievements in their emulation campaign welcoming the eighth CPV congress. He described this congress as one of continued reform for the cause of national construction and defence and for the people's happiness.

Mr. Do Muoi also reported on the results of the congress's four working days and the elections of the Party Central Committee. He called for the party, the people and the armed forces to unite as a whole around the Party Central Committee in a joint efforts for their shared target of 'a prosperous people, a strong country, a fair and civilized society' and socialism.

He stressed that Hanoi, as the country's political, economic and cultural centre must lead in the cause of industrialisation, modernisation, and wished the party committee and the people of Hanoi greater achievements.

SRV: Communists Worldwide Greet CPV's National Congress

*BK0407154496 Hanoi VNA in English
1446 GMT 4 Jul 96*

[FBIS Transcribed Text] Hanoi VNA July 4 — Communist, workers and other parties from different parts of the world have sent their warm greetings to the National Congress of the Communist Party of Vietnam (CPV) which closed early this week.

Reaffirming his support for the CPV's efforts to improve the living standard of the Vietnamese people, Chairman of the Tajik Communist Party S. Shapzolov [name as received] expressed his hope that 'the friendship and cooperation between the two fraternal parties and peoples will be developed constantly.'

In a message of greetings to the CPV, General Secretary of the Mongolian Peoples Revolutionary Party B. Dash Yondon [name as received] wished that the Eighth National Congress of CPV 'will endorse resolutions which will help boost the development and prosperity of Vietnam.'

Jozef Oleksy, chairman of the Social Democracy Party of the Republic of Poland, said in his greetings: 'we are following with great interest the economic reform carried out under the 'doi moi' (renovation) policy initiated by the CPV and we are confident that this National Party Congress will help push ahead national industrialisation and modernisation in Vietnam.'

The leading committee of the Romanian Socialist Labour Party said that 'it hopes the congress will approve a strategic programme for the party in the first stage of the 21st century, ensuring peace and prosperity for Vietnam.'

Wishing the CPV a greater success, the Mozambique Liberation Front (Frelimo) reiterated solidarity with and aspiration to further enhance the friendships and cooperation between the two parties and people.

Admiring the heroic struggle for national independence and freedom in the past and the current national construction of Vietnam under the leadership of the CPV, the Progressive Party of the Working people of Cyprus (AKEL) voiced its resolute support for and solidarity with the Vietnamese communists in their present effort for a peaceful and prosperous Vietnam.

In a message of greetings to the CPV, Jan Ingve Iversen, secretary of the Communist Party of Norway Central Committee, expressed his party's readiness to further develop the friendship and cooperation between the two parties on the basis of mutual solidarity and internationalism.

'We are confident that the CPV will continue its leading role in Vietnam's national reconstruction, building an advanced and prosperous economy and protecting the national sovereignty of Vietnam,' the Communist Party of Great Britain writes in its greetings.

The message of the Chairman of the Workers' Party of Switzerland Mr. J. Spzlmann [name as received] reads, 'the Communist Party of Vietnam is searching for its own path to find for its country a position in the international community and step by step bring it to prosperity. Your socio-economic plans prove the determination of the Vietnamese Communists in realizing the wish of President Ho Chi Minh for a 'tenfold more beautiful country.'

For his part, Chairman of the Communist Party of Finland Mr. Y. Hakanen wished the Vietnamese Communists and people successes at a time when 'Vietnam is entering a new period to push ahead the cause of industrialisation and modernisation and achieve the goal of national independence and socialism.'

In his message, Chairman of the New Korean Democratic Party Hong-koo Lee expresses the wish that under the leadership of the Communist Party of Vietnam the existing friendship and cooperation between our two countries to further promoted in the future.'

The message from the National Democratic Party of Egypt also wishes Vietnam successfully achieves the targets of its five year 1996-2000 socio-economic development plan.

SRV: Party, State Announce Nguyen Dinh Tu's Demise

BK0307124096 Hanoi Voice of Vietnam Network in Vietnamese 2300 GMT 2 Jul 96

[FBIS Translated Text] The Central Committee of the Communist Party of Vietnam [CPV], the National Assembly Standing Committee, and the SRV Government are sad to announce that Comrade Professor Nguyen Dinh Tu, member of the Political Bureau of the Eighth CPV Central Committee; director of the CPV Education Central Department; member of the fourth, fifth, sixth, and seventh CPV Central Committee; member of the CPV Secretariat; former member of the sixth, seventh, and eighth SRV National Assembly; former chairman of the Science and Technology Committee of the National Assembly; member of the State Council of the Eighth SRV Government; former minister of the Ministry of University and Vocational High School; and recipient of the First Class Order for Anti-American Resistance for National Salvation, Medal for the Cause of Science and Technology, Medal for the Cause of Education and Training, and emblem of 40-year party

membership, passed away due to sudden illness at 2200 on 28 June 1996 at the Friendship Hospital of Hanoi.

Comrade Nguyen Dinh Tu was born on 1 October 1932 at Song Loc village in Cam Loc district of Ha Tinh Province. He joined the revolution in 1948, and the party on 4 December 1949. He offered many contributions to our party and the people's revolution undertaking, especially in atomic energy research.

In order to express sorrow and appreciation of Comrade Nguyen Dinh Tu's contributions, the CPV Central Committee, the National Assembly Standing Committee, and the SRV Government have decided to organize a solemn funeral.

SRV: Government Agency Issues Internet Regulations

BK2506165196 Hanoi VIETNAM INVESTMENT REVIEW in English 1-16 Jun 96 pp 1, 5

[FBIS Transcribed Text] DGPT [Directorate General of Post and Telecommunications] has issued a temporary regulation allowing Vietnamese enterprises to apply and get licences from DGPT to provide Internet connections and services.

Despite its guarded wording, the regulation is seen as a further step towards a real Internet connection for service providers already in business here, albeit with restrictions.

After getting the necessary licence from DGPT, Internet service providers can set up a direct connection through TCP/IP (Transmission Control Protocol/Internet Protocol).

At present, services such as Netnam, VietNet, Varnet and Toolnet are just file servers with an Internet account at some universities in Australia, Singapore or Hong Kong. They operate more like a bulletin board sending and receiving E-mail messages to and from the Internet several times a day through their accounts in other countries.

Nguyen Anh Tuan, director of Teltic, which is operating VietNet said: "The regulation paves the way for an Internet link for Vietnam. It prepares for the business aspect of value added services of the telecommunications network because we have been paying more attention to the technical aspects of it so far."

The regulation makes a distinction between Internet service providers and bulletin service providers. Tuan said he expected Vietnam will have two gateways, one in Hanoi and one in Ho Chi Minh City, operated by some DGPT-owned enterprises. Other enterprises will

be using these gateways for their Internet connection and offer services to customers.

"I think two is enough and as DGPT owns the telecommunications network, it's fair enough for them to operate the gateway," Tuan said. "But DGPT should encourage more bulletin service providers."

The regulation said Internet services will be provided on a trial basis and will be expanded as DGPT's ability to manage and control the network allows.

But it said that all businesses can set up database systems and use the existing national network of telecommunications in order to offer electronic information services.

According to the regulation, the issue of pornography or other taboo subjects will be solved by filter.

"Internet service providers ... have to guarantee that they have technical solutions [filter] to prevent bad information from outside to penetrate Vietnam."

It also asks Internet businesses to observe state secret protection regulations.

But, at the same time, service providers are required to protect the confidentiality of their clients' information and data transferred via their network.

For their part, clients of Internet services are answerable to the law for the content of the data they send or receive via the network.

With these self-binding provisions, people hope Vietnam can get over the feeling of considering the Internet as a place where pornography is rampant.

Tuan, however, is concerned that the enterprise appointed by DGPT to be responsible for setting up Vietnam's gateway to then Internet might lack the expertise needed for that task, which would slow down the process. As with other projects in telecommunications, Internet service businesses are off-limits to foreign individuals and organisations as well as non-professional Vietnamese entities. Foreign participation is only possible in providing whole packages of technical solutions, equipment and training.

The fact that DGPT would consider licensing only telecommunications-related enterprises for Internet services, has again provoked debate over whether the Internet is a value-added service of the telecommunications network.

This is important because it could lead to calls for a government regulatory body to be set up.

New Zealand

New Zealand: Foreign Minister Discusses PRC Relations

BK0107112896 (Internet) New Zealand Parliamentary WWW in English 28 Jun 96

[Opening address by New Zealand Foreign Minister Don McKinnon at a symposium on "New Zealand and China: Issues and Prospects" at the Center for Asia Pacific Law and Business on 28 June; city not given]

[FBIS Transcribed Text] It gives me real pleasure to speak at the opening of today's symposium. I count myself lucky to have the first words on a topic which is open to an enormous range of comment and analysis. My regret is, in fact, that I'm not able to stay through the day to participate in the discussions that will undoubtedly flourish on the topic, given the energetic minds you have brought together to consider the relationship between New Zealand and China.

The major issue as I see it when considering New Zealand/China relations is how to maintain and build up the momentum of the relationship in a direction which benefits us both. How to relate a small country to a giant one. How to keep adding real substance to the relationship.

New Zealand aspires to an atmosphere of frankness and openness in its relations with other countries, which I think is shared by China in looking at us. We have built up a dialogue of the kind enjoyed by friends — who also have occasional differences, but we speak straightly to each other. We also try to remain predictable so as not to jeopardise everything.

I would like to hear your ideas on how to sustain, and expand, the place New Zealand occupies in China's view of the world; and do the same in New Zealand with regard to China. In addition, projecting that thought more widely, New Zealand has an interest in seeing the growth of an open, prosperous China, integrated into the fabric of the Asia Pacific region by the strands of positive relationships with its neighbours.

To promote that, New Zealand needs to work at encouraging China's engagement and integration with the rest of the world. As well — and this is in our own long term interests too — we should do what we can to support China's economic growth.

Without wanting to complicate the picture unnecessarily, I would also suggest that it pays to keep in the back of one's mind the thought that China is many different countries — just as in a trade perspective, seasoned traders remind us that China is not one market but many different markets. A degree of selectiveness or defini-

tion is useful when trying to identify the prospects for the future of the bilateral relationship.

I've already mentioned the disparity in sizes of our two countries as an obvious factor in this relationship. A pessimist might say China simply doesn't need to bother with a country as small as New Zealand. In fact some might question whether China needs the rest of the world, period, as much as the rest of the world needs China.

I was struck, for instance, by a point made by Pieter Botellier — Head of the World Bank in Beijing — when visiting here a few months ago. He said that the potential size of China's domestic market, and other factors such as the high level of domestic savings in China mean that in the longer term, China need not be dependent on foreign trade or foreign investment to sustain economic growth.

But I believe China's Government shares our own view that New Zealand and China have a great deal to offer each other and that a strong and friendly relationship is very much in the interests of both sides. In regional and global terms, too, an engaged and participating China is vital for everyone.

On that theme of change, for example, we are finding that countries with systems a great deal larger than our own are keen to learn from the New Zealand experience. New Zealand Ministers often find themselves being virtually asked by their counterparts in other countries for advice on matters such as state enterprise reform, or tax and business deregulation. But that is what we are finding, and of course we are delighted to share information with the rest of the world.

In the case of China, certain areas such as state sector reform may be of particular interest, and we have hosted visiting delegations from various parts of the Chinese administration keen to study the New Zealand case. I would suggest that other particularly innovative pieces of New Zealand legislation, such as our Resource Management Law, could offer China insights into handling major tasks which still lie ahead on its path to sustainable development.

Sharing experiences of course brings with it the bonus of people-to-people contact. New Zealanders and Chinese are meeting each other in an ever increasing number of settings, for example, the numerous sister city relationships we have with China.

The Asia 2000 Foundation will play an important role in fostering this mutual familiarity. The Government recently announced a new commitment, through increased funding, to the work of the Foundation.

And it is hoped that within the next year, direct flights between New Zealand and Shanghai will multiply the opportunities for visits both ways. Once China gives New Zealand the status of an approved tourist destination, growing numbers of Chinese tourists may be able to start travelling here.

I note from Tim Beal's letter inviting me to speak today the fact we intend to cover the major facets of the relationship — economic, political, and cultural — and will not be skirting the issues. I think you're on the right track with that last point because one of the risks in looking at China is to be carried away by the euphoria of the dragon awakening: China, the world's largest market, a new superpower in the making.

Take for the sake of discussion (this being the Centre for Asia Pacific Law and Business [CAPLAB]) China's need to develop an effective and coherent legal infrastructure to underpin its economic development. China is making progress with this. But the lack of consistency with international rules and regulations governing trade and investment is, for example, a major sticking point in the negotiations about China's entry into the World Trade Organisation. New Zealand supports China's entry on the basis of a fair balance of rights and obligations and will continue to seek a constructive role in the ongoing negotiations.

Establishing the effective rule of law in other aspects of Chinese society is an issue confronting China's leaders with obvious human rights implications. Some commentators say that people in China have far greater freedoms today, as a result of the economic reforms, than at any time in history. Be that as it may, concerns about human rights in China are one of the few areas where New Zealand and China don't see eye to eye. (Judging by letters I receive from members of the public here, they are a real concern to a section of the New Zealand community too.)

The New Zealand Government would like to see China ratify the international human rights covenants and uphold the civil and political rights of all its citizens. Reports of human rights abuses (including in Tibet) undermine the confidence we've built up from dealing

with China over decades. They damage the trust which New Zealand — just like China — rates so highly in assessing the health of the bilateral relationship.

In this area, too, changes are nevertheless occurring which have the potential to influence radically the way things happen — the way life is lived — in China. For example, important changes to China's criminal law code are due to take effect next year. These will mean that for the first time, it will be possible to mount an independent defence in a criminal court case. For the first time, a defendant will be presumed innocent instead of guilty in a range of criminal cases.

To return for a moment to the area of multilateral cooperation, in which China's involvement is so important for positive outcomes, New Zealand welcomed the recent announcement by China of its decision to ratify the UN Convention on the Law of the Sea. New Zealand is also very much hoping that China will match the efforts of all other governments to ensure the conclusion of negotiations on a Comprehensive Test Ban Treaty at Geneva by the end of the month, and that the test which regrettably took place on 8 June will be China's last.

In concluding I should like to congratulate CAPLAB for taking the initiative of convening this symposium, which addresses matters of significance to all New Zealanders looking ahead to the next century. It is essential that we keep on putting our heads together like this, to assess where we are going — and where we should be going — in our relationship with what will possibly be the most important country in the world by then.

By shining a light on prospective difficult patches ahead, we have a chance of reducing the discomfort of the voyage. Making a real effort to understand where China is coming from means putting in the time to learn as much as we can — about its history as well as its present and planned future. My task in opening this meeting is perhaps easier than that of focusing the discussion on specifics. I wish you all a stimulating and productive day, and I look forward to hearing of the conclusions you reach.

Thank you.

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